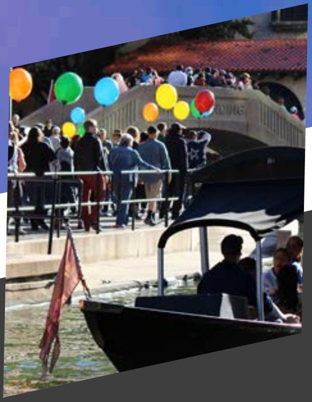

City of Irving, Texas

Comprehensive Annual Financial Report

for the Fiscal Year ended September 30, 2015

IRVING
TEXAS

Fiscal Year
2014-15

CITY OF IRVING, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2015

Prepared by the
City of Irving, Texas
Financial Services Department

CITY OF IRVING, TEXAS

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IRVING
TEXAS

January 29, 2016

Honorable Mayor and City Council
City of Irving
Irving, Texas

Dear Council Members:

The Comprehensive Annual Financial Report (CAFR) of the City of Irving, Texas, for the year ended September 30, 2015, is submitted herewith. Responsibility for the accuracy of the data, as well as the completeness and fairness of its presentation, including all disclosures, rests with the city. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the city on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included.

These statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the CAFR. The city's MD&A can be found on **Pages 5-18**, immediately following the independent auditor's report.

CITY OF IRVING PROFILE

Irving is a city of enormous opportunity because of its location between Dallas and Fort Worth. The city was founded in 1903 during the height of the railroad age. Julius Otto Schulze, a field engineer in charge of a survey crew, and Otis Brown, a rod man, learned that a 32-mile stretch of railroad was being laid from Fort Worth to Dallas. The pair purchased 80 acres of land that became the original town site of Irving. After deeding a land parcel to the railroad, the two gentlemen drew up the town plat on a wagon cloth that is preserved in city archives today.

Just as the city's original development centered around transportation, current development also centers on transportation. Irving's modern expansion and development have been the result of the development of outstanding multimodal transportation systems that include an extensive highway system, commuter and freight rail lines, and DFW International Airport, one of the world's busiest airports located at the city's western boundary. The DART Orange Line, completed in August 2014, provides a direct link between DFW International Airport and downtown Dallas through Irving, including stations at two major educational institutions as well as the major employment area of the Urban Center in Las Colinas. Dallas Love Field Airport, which has been ranked the highest (tied with Southwest Florida International Airport) in traveler satisfaction in the medium airport category by J.D. Power and Associates in 2015, is located 10 miles to the east of the city. On October 13, 2014, the Wright Amendment was lifted which allows non-

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stop flights from Dallas Love Field. The Wright Amendment of 1979 originally limited most non-stop flights from Love Field to destinations within Texas and neighboring states. There is unrivaled access to and from the Dallas/Fort Worth Metroplex, North America and the world.

More than 82,000 households and 228,653 residents call Irving home. Irving is home to six Fortune 500 companies' global headquarters: Celanese, Commercial Metals, ExxonMobil, Fluor Corporation, Kimberly Clark, and Pioneer Natural Resources. Corporate headquarters of many other prominent businesses such as Aviall, the Boy Scouts of America, NEC America, Nokia America, Michaels Stores, and Zale Corporation also reside in Irving. Other companies with a significant presence include Abbott Laboratories, Verizon, Carrington Laboratories, Citicorp, Frito Lay, Holt Equipment, Microsoft, NCH, Northrop Grumman, and Owens Corning.

The city operates under the Council-Manager form of government. A Mayor and eight council members are responsible for enacting ordinances and resolutions establishing policy and governance of the city. The City Manager is the Chief Executive Officer and is responsible for carrying out policies approved by the City Council.

ECONOMIC CONDITIONS AND OUTLOOK

Irving covers 67.6 square miles in northwestern Dallas County, with more than 15,000 acres dedicated to master-planned developments. These well-conceived locations in Irving include Las Colinas, DFW Freeport and Valley Ranch. Businesses recognize the many advantages offered by Irving's location and quality of life, and their employees benefit from Irving's accessibility, diverse range of housing, strong infrastructure, excellent schools, and exceptional recreational and healthcare facilities. To encourage development in Irving, five Tax Increment Finance (TIF) Districts have been established to help spur growth in undeveloped and redeveloping areas.

Irving is the nation's 94th largest, Texas' 13th largest and Dallas County's third-largest city, according to the U.S. Census Bureau. Five major highways traverse the city, including Interstate Highway Loop 635, State Highways 161, 114, and 183, and President George Bush Turnpike.

The city's General Obligation Bonds, Series 2015 received the rating of "AAA" from Standard & Poor's and "Aaa" from Moody's Investors Service.

The city has seen significant increases in property, sales, and hotel occupancy taxes in 2015. In the past year, Irving experienced development activity in every land use sector and in every geographic sector of the city. This diverse growth indicates a healthy community. Recently completed projects include office, warehouses, restaurants, and upscale residential development in multiple parts of the city. In addition, Irving currently has several major commercial, mixed-use, and residential developments under way. Each of these projects will have a significant impact on the city's property tax base, and will enhance Irving's residential, commercial, cultural and recreational amenities. The city offers tax abatements and other incentives that continue to bring major corporations to Irving, and attract and retain major commercial development. Some of the larger projects are described below.

- Single-family housing initiatives – The city, in partnership with Hines Real Estate Holdings, saw construction continue on five new subdivisions, Campión Hollows with 125 planned homes, the

Bridges of Las Colinas with 399 planned homes, Villas at the Studios with 59 homes, Parkside Estates with 869 planned homes, and Vue Las Colinas with 133 planned homes.

- Former Texas Stadium Site – In 2009, the Texas Department of Transportation (TxDOT) and the City of Irving entered into a 10-year, $15.4 million lease of the former stadium site as a staging facility for area highway construction projects. The use of the former stadium site was intended to help expedite the projects and improve construction efficiency. The City retained the option to terminate all or a portion of the lease in the event commercial development became imminent. TxDOT has completed the initial improvements to Loop 12 and SH114 at the northern end of the former stadium site. These improvements complement the extension of the DART Light Rail Transit Line to DFW International Airport.

  In 2015, TxDOT awarded the Midtown Express Project which focuses on implementing managed toll lanes along SH183 and SH114 and includes a substantial rebuilding of SH183, portions of SH114 and Loop 12. The Midtown Express Project will be completed in 2018. Although the current project includes substantial improvements, it does not include a full rebuild of the highway system surrounding the stadium site. To address access into the former stadium site, the City is working with TxDOT to initiate the construction of a "Signature Bridge" spanning SH114 to connect the former stadium site with direct traffic ramps to SH114 and to provide a direct pedestrian connection to a planned DART Station. This Signature Bridge Project is scheduled for TxDOT letting in the spring of 2016.

  The City is also working directly with DART to implement the construction of a DART Station to serve the stadium site. The DART Station is anticipated to be complete and ready for service in conjunction with development of the site. The city is negotiating a Memorandum of Understanding with a national developer to explore development opportunities for the site.

- Heritage Crossing – In 2011, Tax increment Financing District (TIF #2) was created for redevelopment of the Irving Boulevard corridor, which includes the Heritage Crossing area. The district is expected to generate funds for public infrastructure improvements and public-private partnership incentives over the life of the TIF. Understanding residential growth spurs business development, Irving's City Council recently approved a Memorandum of Understanding with Hines Interests LP (Hines) that will bring 100 new families to Heritage Crossing. As proposed, the Hines project would be completed in four phases. Phase one of the project would result in the construction of 40 new homes north of Sixth Street along Delaware Creek. Asking prices for the homes will be in the mid to upper $200,000 range. Hines, a leading developer, has a longstanding history with Irving having successfully constructed many developments in the city including La Villita, The Lakes of Las Colinas and Riverside Village. In addition to revitalizing downtown with new homes, the proposal includes plans to revamp aged infrastructure. The project will bring new families, new development and new businesses to Irving's downtown area. The project will be a catalyst to future development. In 2015, the city completed the Texas Musicians Museum building to bring more visitors to the district. The city owns the facility and contracts with a third-party to operate and maintain the museum. Spurred by the momentum of these redevelopment efforts, a variety of limited service restaurants, banks and various small businesses also have been renovated, including the 1950s themed Big State Fountain and Grill and Di Rosani's Italian Restaurant, both of which opened in 2015.

- Transit Oriented Development (TOD) – The DART Orange Line was completed in August 2014, and connects DFW International Airport with downtown Dallas through Irving. The Orange Line includes five stations in Irving currently in operation with three more pending future development. They include stops at the North Lake College, University of Dallas, two stops in the Las Colinas Urban Center as well as one stop located at Belt Line Road. Development proposals around several stations call for high-density, mixed-use developments that combine office, residential, retail and other commercial uses. The city is coordinating with DART to ensure additional stations will be ready for developments currently under design at the former stadium site and the Verizon campus in the Carpenter Ranch area just west of the convention center.

The City entered into a contract with Fregonese Associates in October, 2014 to prepare a new Comprehensive Plan. The Plan will lay out a vision for the community for the next 20 years, and include recommendations for land use, transportation, housing, parks and open space, economic development, arts and culture, technology, communications, infrastructure, sustainability, waste management and recycling, public safety, community facilities and public health. This planning process, named Imagine Irving, started off with data collection, several community workshops, on-line surveys, stakeholder interviews, and other public outreach in early 2015, and continued throughout the year. The anticipated completion date for Imagine Irving is late summer/early fall of 2016.

Irving continues to lead the Metroplex in attracting and retaining top corporations, including Pioneer Natural Resources, the 6th member of the Fortune 500 with corporate headquarters in Irving. In fact, 52 of the Fortune 500 companies have a corporate presence or are headquartered in Irving. Fortune 500 companies that headquarter in Irving cite rapid turnaround in planning and development service as a leading factor in selecting Irving. The city assists in economic development by providing sales tax and property tax rebates as incentives. For FY 2015-16, the total amount of incentive payments is projected to be $12.6 million, a $4 million increase from the prior year. The amount of the incentive is determined by the business delivering increases in taxable value, revenues generated or job growth specified in the individual agreements. The City of Irving continues to focus on projects that will facilitate economic development.

In the health care industry, construction continues for the Texas Center for Proton Therapy. Scheduled to open in early 2016, this 63,000 square foot facility provides second-generation proton radiation treatment for cancer patients, including a complete suite of oncology services. This will be the first proton therapy center in the Dallas-Fort Worth metropolitan area, and just the 15th center in the United States. Additionally, Baylor Medical Center at Irving completed an expanded and enhanced emergency department in 2015, and has submitted plans to build two new 3-story medical office buildings on the west side of the campus.

According to the Greater Irving-Las Colinas Chamber of Commerce, major commercial retentions, relocations, and expansions continue to grow Irving's commercial and office development and expand Irving's job base. Significant projects announced in 2015 include:

- Orbitz, who acquired a piece of Travelocity now known as the Orbitz Partner Network, leased 17,000 square feet in Irving and will create 125 jobs with an average salary of $115,000.
- Whole Foods Market will anchor a high-quality shopping center at the corner of MacArthur Blvd. and SH 161.

- Expal USA, a subsidiary of Maxam that contracts with the Department of Defense for weapons systems, ammunition and pyrotechnics, relocated its corporate headquarters to Waterway Tower.
- A Wolley Classic Suites hotel project that will locate in Avion Business Park on SH 114. This will be only the 2nd national location for this hotel.
- ArtFX, a contract screen printer that does work for Nike, is purchasing an 82,000 square foot building and creating up to 195 jobs in Irving.
- Hilti Tools is leasing 65,000 square feet in Park Royal Business Park for a testing lab/R&D facility, and will include 50-60 jobs.
- Preferred Business Solutions, who bought a 43,000 square foot building in Irving, creating 52 jobs.
- Great Hearts, which is a high-performing public charter school network. Their first North Texas campus will be located on Belt Line.

The City of Irving selected TIP Strategies, an industry leader in economic development strategies, to conduct a process resulting in the creation of a citywide Economic Development Strategic Plan. The plan will provide a roadmap for the city in determining where to allocate resources and identify priorities in business retention, redevelopment, recruitment and small business development. This plan will help the city direct its efforts and resources toward a clearly defined vision for its future. A key component will be the collaboration among partners and corporate clients.

STRATEGIC PLAN

The city implemented a comprehensive Strategic Plan for the first time in FY 2006-07. Since the adoption of the first strategic plan, the value of strategic thinking has been proven. Citizen satisfaction with code enforcement, the appearance of the city, quality of life, and other indicators of success have risen. Irving continues to enhance recreational and cultural opportunities to provide residents with a variety of special events and programs that families can enjoy. All of these improvements have resulted in a heightened quality of life for Irving residents. Through the Strategic Plan, the city is able to stay focused on what is most important to our customers and what drives advancement in the areas that matter most.

The City Manager identified a need to take a fresh look at the Strategic Plan in light of routine turnover on council, changes in the executive team, and the overall dynamism of the regional environment. In addition to refreshing the Strategic Plan, the City Manager launched an aggressive program to revamp the city's overall planning environment. Staff was already working with consultants to create a new Comprehensive Plan. The Strategic Plan was reimagined from the ground up. A new long term financial plan, Funding Our Future 2030, was developed. Departments were asked to develop Business Plans alongside their budgets.

A **Fifteen-Year Financial Forecast** analysis has been conducted to project operating revenue and expenditure trends for the General Fund. To ensure the long-term financial sustainability and resiliency of the city, staff developed a long-term financial forecast model, focusing on the next 15 years. The model forecasts trends in expenditures and revenues across the General Fund, combining data from a variety of sources, including the annual budget, Comprehensive Annual Financial Report (CAFR), Dallas Central

Appraisal District (DCAD), US Census Bureau, US Bureau of Labor Statistics (BLS), and more. It is a tool for City Council to use to make well-informed decisions to address the city's key challenges and achieve the city's strategic goals.

A 20-year model for the water and sewer system also is used to identify future water needs, infrastructure requirements and alternative sources and uses of the municipal water supply. A solid waste services assessment is being conducted which is expected to provide the basis for a sustainable long-term sanitation service model.

Each of these planning documents, as well as the annual budget, are designed to identify the community's desired direction and the steps necessary to execute that vision for the future. The Comprehensive Plan is a long-term shared community vision for the future that informs the mid-range Strategic Plan. The Strategic Plan establishes priorities for the city over the next 3 to 5 years. The Long Term Financial Plan shows the long term financial challenges facing the city and helps Council to realistically balance limited resources when executing the Strategic Plan. The annual budget and business plans put the Strategic Plan into action. Each planning document is aligned with the community's vision, the organization's mission, the financial realities facing the city, and operational priorities.

MAJOR INITIATIVES

Health Insurance

While the city has been proactive in managing health costs and improving employee wellness, insurance costs continue to be driven by increases in health care and prescription drug costs and changes in the market due to the Affordable Care Act. In particular, changes in plan design and increases in deductible amounts were adopted to bring the city's insurance plans in-line with the requirements of the Affordable Care Act and avoid payment of the "Cadillac Tax" beginning in 2018. For FY 2015-16, a 6 percent increase in health care costs is budgeted.

Service Enhancements

Medic #1

A frontline Advance Life Support (ALS) ambulance will be added to Fire Station #1 at mid-year FY 2015-16. This will include the hiring of 6 Fire Equipment Operators (FEO) and 3 Firefighters (FF) and the purchase of a fully equipped ambulance. This service will meet the emergency medical needs of the community in Southeast Irving. Fire Station #1 currently has more than 4,000 medical calls per calendar year in its response district and it requires ALS ambulances from other stations to respond which leaves their district unprotected and delays rapid emergency response.

Fire Station #12

The addition of a 12th fire station has been anticipated for many years and planning for this station began in the prior year with the acquisition of land and beginning of building design. The proposed budget includes capital costs for three pieces of apparatus: a pumper truck, a ladder truck and an ambulance. Partial-year funding is budgeted for 42 Fire employees to provide staffing for the facility and to begin their training so they are available for duty when the station opens in FY 2016-17. A SAFER grant has been applied for to partially offset the personnel costs for the first two years of operation, but the grant has not been awarded at the date of this letter.

Public Safety Training Facility

The city is building a new public safety training facility to replace the current site, which is aging and is located adjacent to residential neighborhoods. The first phase of the facility will include construction of a burn tower and classrooms. To share resources, reduce capital and operating costs, and promote regional cooperation, Irving has entered into an agreement with the city of Grand Prairie for joint use of the facility and sharing of the operating and capital costs.

Twin Wells Golf Course

Council identified as a key priority the renovation and promotion of the city's municipal golf course, Twin Wells. The primary capital need is the replacement of the irrigation system. Financing for this improvement was completed in FY 2014-15. Discussions concerning the scope of additional capital improvements and a management model for the facility and surrounding open space continue.

Irving Convention Center

The complex has been very successful, hosting more than 700 events and more than 500,000 people since opening in late January 2011. The Irving Convention Center is the first of a three-phase project envisioned by the city to maximize its potential for visitor experience. The next phase is the Irving Music Factory, an entertainment venue authorized by Irving voters in 2007 on the same site anchored by the Convention Center. The final phase will be the full-service headquarter hotel, which will be located between the convention center and the Irving Music Factory. Once completed, the three part district – the Convention Center, the Hotel, and the Entertainment Venue are expected to make the Urban Center a destination location.

In early 2014, the city completed financing of its commitment to fund construction of a vibrant entertainment venue in Irving. The Irving Music Factory will be an 18-acre complex adjacent to the Irving Convention Center and the Convention Center Hotel that would hold at least 6,500 people and include an amphitheater, plaza, parking garage, restaurants and retail space. The entertainment complex will attract patrons from across the Metroplex, as well as, those in town attending conferences. Additionally, it will provide Irving residents a place to visit for dining and entertainment.

The city is currently in negotiations with a developer for the convention center hotel project. Final deal points should be finalized in 2016, which will result in the construction of a 350 room Westin hotel. The hotel is scheduled to be completed by 2018.

Diversity – The city has 241 employees or 10 percent of the workforce currently receiving bilingual pay. The percentage of contracts competitively awarded in 2015 to Minority and Women-owned Business Enterprise (M/WBE) vendors continues to exceed the goal of 25 percent.

Transparency – The Financial Services and Communications departments have teamed up to post more financial information to the public. In recognition of these efforts, the city received the highest level Transparency Award for Financial Transparency from the Texas Comptroller for the sixth consecutive year. The award criteria include placing budget documents, annual financial reports, and check registers on the city's website for public review.

Employee Wellness – Employee wellness is a focus throughout the organization in order to promote a healthy workforce, enhance employee morale, and provide incentives for employees to take control of their health. Irving Wellness Incentive Now (**I Win**) was launched January 2009 to offer wellness and fitness rewards to employees who achieve and maintain good health. Through I Win, employees are able to receive a wellness screening and have the opportunity to participate in either a fitness assessment using benchmarks established by the Cooper Clinic or biometric testing measuring eight risk factors. More than 2,320 employees have qualified to receive fitness or biometric incentive pay since the program's inception. By incentivizing employees to take active control of their health, become more physically fit, and have regular wellness screenings, the city will see a reduction in overall healthcare costs and insurance rates.

FINANCIAL INFORMATION

Discussion of Controls – The city's management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse, and to ensure adequate accounting data is compiled to allow for preparation of financial statements in conformity with U.S. generally accepted accounting principles.

Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; 2) the reliability of financial records for preparing financial statements; and 3) accountability for assets. The concept of reasonable assurance recognizes the cost of the control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgment by management. We believe the controls are appropriate for the level of risk and cost of control.

Information regarding general accounting policies can be found in the Notes to Basic Financial Statements beginning on **Page 33.**

OTHER INFORMATION

Independent Audit – An annual audit is required to be made of the financial statements of the City of Irving by an independent auditor. Weaver & Tidwell LLP was engaged to perform the audit for the fiscal year ended September 30, 2015; the audit opinion is included in this report.

Certificate of Achievement – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Irving for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014. This was the 31th consecutive year that the city has received this prestigious national award. To earn the Certificate of Achievement, the city published an easy-to-read and efficiently organized Comprehensive Annual Financial Report with contents that conformed to program standards. Such reports satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year. The city believes that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and thus is submitting it to GFOA to determine its eligibility for another certificate.

In addition, the city also received the GFOA's Award for Distinguished Budget Presentation for the 27th consecutive year for its annual appropriated budget dated October 1, 2014. To qualify for the Budget Award, the city's budget document was judged proficient in all categories.

Acknowledgements – Many people are responsible for the preparation of the report, and for the maintenance of the records upon which it is based. Appreciation is expressed to city employees throughout the organization, especially those staff members in Financial Services, who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

Chris Hillman
City Manager

Jeff Litchfield, CPA
Chief Financial Officer

CITY OF IRVING, TEXAS

CITY COUNCIL

Beth Van Duyne, Mayor
Dennis Webb, Mayor Pro-Tem
Brad M. LaMorgese, Deputy Mayor Pro-Tem

John Danish, Councilmember
Allan Meagher, Councilmember
Phil Riddle, Councilmember

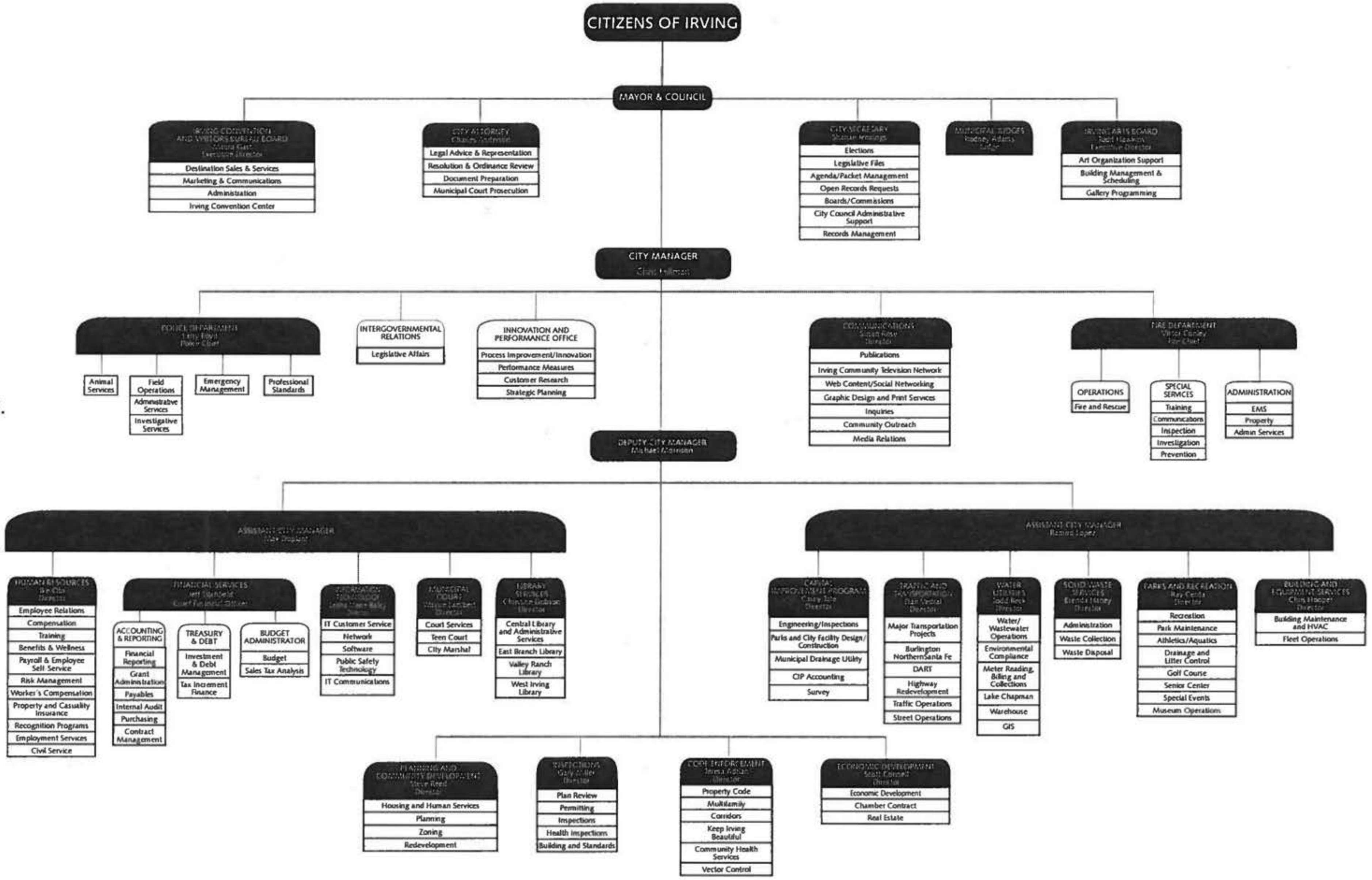
Gerald Farris, Councilmember
David Palmer, Councilmember
Oscar Ward, Councilmember

* * * * * * *

Chris Hillman, City Manager
Shanae Jennings, City Secretary
Charles Anderson, City Attorney

Jeff Litchfield, Chief Financial Officer
Regina H. Givens, Controller
Martin Avila, Accounting Manager

Organizational Chart


CITIZENS OF IRVING
MAYOR & COUNCIL
IRVING CONVENTION AND VISITORS BUREAU BOARD
Maura Gast
Executive Director
Destination Sales & Services
Marketing & Communications
Administration
Irving Convention Center
CITY ATTORNEY
Charles Anderson
Legal Advice & Representation
Resolution & Ordinance Review
Document Preparation
Municipal Court Prosecution
CITY SECRETARY
Shanae Jennings
Elections
Legislative Files
Agenda/Packet Management
Open Records Requests
Boards/Commissions
City Council Administrative Support
Records Management
MUNICIPAL JUDGES
Rodney Adams
Judge
IRVING ARTS BOARD
Todd Hawkins
Executive Director
Art Organization Support
Building Management & Scheduling
Gallery Programming
CITY MANAGER
Chris Hillman
POLICE DEPARTMENT
Larry Boyd
Police Chief
Animal Services
Field Operations
Administrative Services
Investigative Services
Emergency Management
Professional Standards
INTERGOVERNMENTAL RELATIONS
Legislative Affairs
INNOVATION AND PERFORMANCE OFFICE
Process Improvement/Innovation
Performance Measures
Customer Research
Strategic Planning
COMMUNICATIONS
Susan Rose
Director
Publications
Irving Community Television Network
Web Content/Social Networking
Graphic Design and Print Services
Inquiries
Community Outreach
Media Relations
FIRE DEPARTMENT
Victor Connley
Fire Chief
OPERATIONS
Fire and Rescue
SPECIAL SERVICES
Training
Communications
Inspection
Investigation
Prevention
ADMINISTRATION
EMS
Property
Admin Services
DEPUTY CITY MANAGER
Michael Morrison
ASSISTANT CITY MANAGER
Max Duplant
HUMAN RESOURCES
Director
Employee Relations
Compensation
Training
Benefits & Wellness
Payroll & Employee Self Service
Risk Management
Worker's Compensation
Property and Casualty Insurance
Recognition Programs
Employment Services
Civil Service
FINANCIAL SERVICES
Jeff Litchfield
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ACCOUNTING & REPORTING
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Grant Administration
Payables
Internal Audit
Purchasing
Contract Management
TREASURY & DEBT
Investment & Debt Management
Tax Increment Finance
BUDGET ADMINISTRATOR
Budget
Sales Tax Analysis
INFORMATION TECHNOLOGY
Director
IT Customer Service
Network
Software
Public Safety Technology
IT Communications
MUNICIPAL COURT
Wayne Lambert
Director
Court Services
Teen Court
City Marshal
LIBRARY SERVICES
Director
Central Library and Administrative Services
East Branch Library
Valley Ranch Library
West Irving Library
ASSISTANT CITY MANAGER
Ramiro Lopez
CAPITAL IMPROVEMENT PROGRAM
Casey Tate
Director
Engineering/Inspections
Parks and City Facility Design/Construction
Municipal Drainage Utility
CIP Accounting
Survey
TRAFFIC AND TRANSPORTATION
Dan Vedral
Director
Major Transportation Projects
Burlington NorthernSanta Fe
DART
Highway Redevelopment
Traffic Operations
Street Operations
WATER UTILITIES
Todd Reck
Director
Water/Wastewater Operations
Environmental Compliance
Meter Reading, Billing and Collections
Lake Chapman
Warehouse
GIS
SOLID WASTE SERVICES
Brenda Haney
Director
Administration
Waste Collection
Waste Disposal
PARKS AND RECREATION
Ray Cerda
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Recreation
Park Maintenance
Athletics/Aquatics
Drainage and Litter Control
Golf Course
Senior Center
Special Events
Museum Operations
BUILDING AND EQUIPMENT SERVICES
Chris Hooper
Director
Building Maintenance and HVAC
Fleet Operations
PLANNING AND COMMUNITY DEVELOPMENT
Steve Reed
Director
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Planning
Zoning
Redevelopment
INSPECTIONS
Gary Miller
Director
Plan Review
Permitting
Inspections
Health Inspections
Building and Standards
CODE ENFORCEMENT
Teresa Adrian
Director
Property Code
Multifamily
Corridors
Keep Irving Beautiful
Community Health Services
Vector Control
ECONOMIC DEVELOPMENT
Scott Connell
Director
Economic Development
Chamber Contract
Real Estate

September 30, 2015

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Irving

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Jeffrey R. Emer

Executive Director/CEO

weaver
Assurance · Tax · Advisory

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
City of Irving, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Irving, Texas (the City) as of and for the year ended September 30, 2015, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

AN INDEPENDENT MEMBER OF
BAKER TILLY INTERNATIONAL

WEAVER AND TIDWELL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

12221 MERIT DRIVE, SUITE 1400, DALLAS, TX 75251
P: 972.490.1970 F: 972.702.8321

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1(r) to the financial statements, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68,* as of September 30, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Budgetary Comparison Schedule-General Fund; Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions; Schedule of Funding Progress, and the notes to the required supplementary information on pages 5 through 18 and 87 through 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 29, 2016

IRVING
TEXAS

CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2015

(Unaudited)

Our discussion and analysis of the City of Irving's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2015. Please read it in conjunction with the accompanying letter of transmittal and the accompanying basic financial statements. We have also provided tables of comparative analyses of selected financial data.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by $738 million. Of this amount, $593 million (80.3%) represents the net investment in capital assets. Net position restricted for specific purposes totaled $101 million (13.7%). The remaining $44 million (6%) are unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental funds reported combined fund balance of $231 million, a decrease of $6.2 million in comparison with prior year. Approximately 23% of this amount ($52.9 million) is available for spending at the City's discretion (unassigned fund balance).
- The total outstanding long-term debt decreased by $15 million primarily due to principal payments and debt refundings exceeding new debt issuances during the fiscal year.
- The Debt Service Fund fund balance was $33.7 million at year-end, which represents 88% of the annual debt service payments. Funds that are included in the Debt Service Fund can only be used for debt service.
- The City's revenues are recovering to pre-recession levels. Hotel Occupancy Taxes, a leading indicator of economic activity for Irving, increased by $1.6 million or 7.1% to $24.6 million for FY 2014-15. Sales taxes are also continuing to increase; up by $5.9 million over last year's collections.

UNDERSTANDING AND USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Irving's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2015

(Unaudited)

The following table summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain.

Features of the City of Irving's Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks.	Activities the City operates similar to private business, such as the water and sewer system	Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plan for City employees
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses, and Changes in Fund Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, liability, deferred outflows of resources and deferred inflows of resources information	All assets liabilities and deferred inflows and outflows of resources both financial and capital, and short-term and long-term	Current assets, liabilities and deferred inflows and outflows of resources that come due during the year or soon thereafter; no capital assets included	All assets liabilities, deferred inflows of resources and outflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; can include capital assets
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide statements are designed to provide the reader with a snapshot of the City of Irving's finances and activities as a whole. The statements are similar to those found in the annual reports of private-sector businesses.

The Statement of Net Position includes all of the City's assets, liabilities, deferred outflow of resources and deferred inflow of resources, using the accrual basis of accounting. The Statement of Activities accounts for all of the revenues and expenses for the year regardless of when cash is received or paid. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. Non-financial factors, such as changes in the property tax base and the condition of the infrastructure (roads, water and sewer lines, and buildings), should also be considered in order to assess the overall health of the City of Irving.

The government-wide financial statements of the City of Irving are divided into two categories:

- Governmental activities – Most of the City's basic services are included here, such as general government, police, fire, parks and recreation, community development, municipal court, animal services, library and public works. Property taxes, sales taxes, and gross receipts taxes finance most of these activities.
- Business-type activities – The City charges fees to customers to help cover the costs of providing water and sanitary sewer, solid waste and municipal drainage services.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by State law and by bond covenants. The City Council establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds statements that explain the relationships (or differences) between them.

The City of Irving presents information separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Debt Service Fund, which are considered to be major funds. Information from the remaining governmental funds is combined into a single, aggregate presentation. Individual fund data is provided later in the Comprehensive Annual Financial Report.

Proprietary funds – Services for which the City charges customers for the services it provides – whether to outside customers or to other units of the City – are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a type of proprietary fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the individual enterprise funds which are Water and Sanitary Sewer, Solid Waste and Municipal Drainage. All enterprise funds are considered major funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the Garage and Equipment Replacement Fund, Computer Replacement Fund, and the Self-Insurance Fund.

The City as Trustee

The City is the trustee, or fiduciary, for its employees' Supplemental Benefit Plan and Voluntary Employee Beneficiary Association. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was $738 million as of September 30, 2015 as shown in Table 1. Analyzing the net position and net expenses of governmental and business-type activities separately, the business type activities net position was $370 million. This information focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities. Note that only the unrestricted net position are available for future expenses.

Table 1

Net Position

(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014*	2015	2014*	2015	2014*
Current and other assets	$ 289	$ 298	$ 125	$ 135	$ 414	$ 433
Capital assets	693	663	469	454	1,162	1,117
Total assets	982	961	594	589	1,576	1,550
Total deferred outflow of resources	$ 27	$ 3	$ 6	$ 3	$ 33	$ 6
Non-current liabilities outstanding	610	537	214	211	824	748
Other liabilities	29	29	16	18	45	47
Total liabilities	$ 639	$ 566	$ 230	229	$ 869	$ 795
Total deferred inflow of resources	$ 2	-	-	-	2	-
Net Position						
Net investment in capital assets	302	288	291	273	593	561
Restricted	90	78	11	11	101	89
Unrestricted	(24)	32	68	79	44	111
Total net position as previously reported	$ 368	$ 398	$ 370	$ 363	$ 738	$ 761
Net adjustments due to GASB 68*	-	(24)	-	1	-	(23)
Total net position as restated	$ 368	$ 374	$ 370	$ 364	$ 738	$ 738

* 2014 Net Position amount has been restated due to the adoption of GASB Statement 68 and 71 (See note 1(r)) of the Notes to the Basic Financials Statements.

The largest portion of the City's net position (80.3%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress), less any debt used to acquire those assets that is still outstanding. As the City uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (13.7%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $44 million may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City of Irving was able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Governmental Activities

The City's program revenues for governmental activities had an increase of $5.7 million during the year primarily due to increase in capital contributions from developers and other governmental entities. The general revenues reflected a net increase of $16 million compared to prior year. The net increase was primarily attributed to increases in property ($6.4 million), sales ($8.3 million), and hotel/motel ($1.6 million) taxes. The property tax certified roll for 2014 was up $1.2 billion due primarily to increases in commercial real property values. Commercial values increased by 9.9% or $829 million from the prior year. Business personal property increased by $87.7 million or 1.86%. Residential values also increased significantly by $296.6 million or 6%. The certified roll of $19.3 billion has increased for the past three tax years, and has surpassed the pre-recession peak of $18.45 billion in tax year 2008. The composition of Irving's tax base is 73% commercial, which is a much larger proportion of the total tax base than other large cities in the Metroplex. As a result, Irving's revenues fluctuate with the business cycle to a greater extent than cities with primarily residential property bases. The business-oriented character of Irving is also reflected in hotel tax revenues, which are primarily driven by business travel which showed a sustained recovery in revenue throughout the year which exceeded the prior year's amount by $1.6 million.

Expenses for the governmental activities increased by $28 million. This is primarily attributed to recognition of the pension costs for the City's retirement plans totaling $37 million. Effective FY15, local governments are required to record the net pension liability; the liability is measured as the portion of the present value of projected benefit payments to be provided through the pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

Business-type Activities

Business type activities had a net position increase of $5.9 million, a 39% decrease, from prior year net position increase of $9.6 million. This is primarily attributed to recognition of the pension costs for the City's retirement plans totaling $3.3 million.

CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2015

(Unaudited)

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
Revenues:						
Program revenues:						
Charges for services	$ 26,354	$ 26,461	$ 102,516	$ 99,641	$ 128,870	$ 126,102
Operating grants and contributions	12,815	11,160	-	-	12,815	11,160
Capital grants and contributions	7,041	2,842	5,676	2,256	12,717	5,098
General Revenues:						
Property taxes	112,750	106,352	-	-	112,750	106,352
Sales taxes	64,626	56,356	-	-	64,626	56,356
Other taxes	44,581	43,018	-	-	44,581	43,018
Investment income	250	204	125	130	375	334
Miscellaneous	1,156	1,372	-	-	1,156	1,372
Gain on sale of assets	162	277	-	-	162	277
Total revenues	269,735	248,042	108,317	102,027	378,052	350,069
Expenses:						
General government	40,429	31,864	-	-	40,429	31,864
Police	73,179	56,605	-	-	73,179	56,605
Fire	40,783	39,457	-	-	40,783	39,457
Animal services	1,754	1,380	-	-	1,754	1,380
Parks and recreation	20,323	16,640	-	-	20,323	16,640
Municipal court	3,697	2,923	-	-	3,697	2,923
Library	8,829	6,843	-	-	8,829	6,843
Community development	35,564	37,323	-	-	35,564	37,323
Public works	30,365	33,786	-	-	30,365	33,786
Interest on long-term debt	20,465	20,530	6,434	6,457	26,899	26,987
Water and sanitary sewer	-	-	76,461	69,059	76,461	69,059
Solid waste	-	-	12,477	10,952	12,477	10,952
Municipal drainage	-	-	6,587	5,485	6,587	5,485
Total expenses	275,388	247,351	101,959	91,953	377,347	339,304
Increase (decrease) in net position before transfers and special items	(5,653)	691	6,358	10,074	705	10,765
Special Item	-	(19,513)	-	-	-	(19,513)
Transfers	500	500	(500)	(500)	-	-
Increase (decrease) in net position	(5,153)	(18,322)	5,858	9,574	705	(8,748)
Net position beginning as previously reported	373,513	416,353	364,092	353,312	737,605	769,665
Net adjustments due to GASB 68*	-	(24,518)	-	1,206	-	(23,312)
Net position end of year	$ 368,360	$ 373,513	$ 369,950	$ 364,092	$ 738,310	$ 737,605

* 2014 Net position amount has been restated due to the adoption of GASB Statement 68 and 71 (See note 1(r)) of the Notes to the Basic Financials Statements.

ANALYSIS OF THE CITY'S FUNDS

The unassigned fund balance of the General Fund at the end of the year was $54 million; total fund balance was $60.6 million. The General Fund fund balance increased by $8.5 million from the prior year primarily as a result of increased property and sales taxes.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2015 the City Council adopted amendments to the budget for the General Fund in the amount of $1.7 million. Adjustments were made to reallocate funding for the construction of the Texas Musicians Museum ($500,000) and other economic development projects ($400,000), establish revenue and expenditure budgets for the 2014 LPGA event ($226,000), increase the budget for collection fees of $288,934 associated with collection of $963,113 in miss-allocated sales tax revenues, provide local matching funds for grants ($19,683), and to provide funding to renovate an existing fire station ($95,611). The majority of these increases were funded from fund balance allocated to economic development and sales tax collections exceeding the adopted budget by over $5.6 million.

Sales Tax revenues for FY 2014-15 were budgeted at $57.3 million. Actual revenues exceeded both budget projections and prior year actuals. Sales taxes were the first major revenue source to exceed pre-recession levels for the city and collections for the fiscal year have continued to grow. Sales taxes finished the year at $63.9 million, $6.6 million above the adopted budget and $5.9 million or 10.2% above prior year collections.

Property Tax revenues for the current year were above the original budget by approximately $36,000. Current year revenues were 100.2% of the adopted budget, while penalties and interest were $24,200 above budget. Prior period collections were $150,000 below budget due to refunds on prior year taxes from the settlement of tax appraisal lawsuits spanning several years for large commercial accounts. Based on prior year's collection history, the estimated collection rate on the tax base was set at 98.25%. Actual collections for the year were 98.44% of the amount levied.

Permit and Inspection revenues for FY 2014-15 were budgeted at $4.8 million. Actual revenues exceeded budget by $415,193. The two main drivers of this increase were plan review revenue at $74,000 above budget and paving inspection revenue at $215,500 above budget. This revenue increase reflects the increase in local economic activity from new commercial and residential construction and renovation projects as the city and the region continues to grow.

Revenue from fines, forfeitures and penalties were $1.1 million below the FY 2014-15 budget of $7.45 million. The primary drivers of the decrease were municipal court fines, which were at $1.5 million below budget or 79.9% due to a decrease in the number of fines levied, and property maintenance fees, which were $334,000 above budget or 296.5% of adopted budget.

Miscellaneous revenues were $1.4 million below the revised budget of $8.7 million budget primarily due to budget adjustments increasing the revenue budget for reimbursements from the State major events trust fund ($226,500) and for the sale of property ($493,000). This revenue was not received within the fiscal year. The remainder of the decrease is from other miscellaneous revenue sources being below adopted budget amounts.

General Fund revenues increased from the adopted budget primarily due to increases in sales taxes above conservative projections partially offset by declines in fine revenues and other miscellaneous revenues. The overall revenue increase enhanced the city's financial reserves.

General Fund expenditures totaled $187 million, $8.15 million below the revised budget of $195 million. Salary and benefit savings comprise a large portion of these savings with $1 million in salaries and $1.2 million in benefits being saved in temporary vacancies and actual pension and insurance expenditures below budgeted amounts. Equipment maintenance was approximately $770,000 under budget, primarily due to fuel costs being $543,000 below budget. Contractual rebate payments for economic development incentives were $559,000 below budget as some companies did not meet the terms of the various incentive agreements to receive the maximum benefit. Economic development activities came in $1 million below budget while recreation center expenses were $343,000 below budget. Other operating and capital savings accounted for an additional $2.8 million, as expenditure budgets are prudently over-estimated. Transfers to other funds were below budget at $363,155 primarily due to payments into the TIF funds being below budget projections.

During FY 2014-15, budgetary policy remained conservative and departments were asked to continue to identify cost saving measures. A focus during the year and for future budget planning has been to allocate revenue increases to increase funding for equipment and infrastructure replacement. Positions that had been held vacant during the recession were re-evaluated and several were filled during the year, reclassified to fill present service needs, or eliminated as unnecessary. In the upcoming budget cycle, the remainder of these held vacant positions have been filled, reclassified or eliminated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015, the City had $1.2 billion invested in a broad range of capital assets including buildings, police and fire vehicles and equipment, park facilities, roads, bridges and water and sanitary sewer lines (see table 3). The total net increase (including additions and deductions) over the prior year was $29.6 million (4.5%) for governmental activities and $15.4 million (3.4%) in business type activities.

Table 3
Capital Assets at Year End
In thousands

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	$ 103,064	$ 99,107	$ 7,881	$ 7,872	$ 110,945	$ 106,979
Buildings and improvements	264,815	249,699	-	-	264,815	249,699
Equipment	123,224	108,059	-	-	123,224	108,059
Construction in progress	33,362	46,748	26,440	19,883	59,802	66,631
Infrastructure	481,102	456,819	704,994	680,110	1,186,096	1,136,929
Other	2,007	2,007	20,940	20,940	22,947	22,947
Total capital assets	1,007,574	962,439	760,255	728,805	1,767,829	1,691,244
Less: accumulated depreciation	314,680	299,143	290,728	274,716	605,408	573,859
Totals	$ 692,894	$ 663,296	$ 469,527	$ 454,089	$ 1,162,421	$ 1,117,385

This year's major additions include (in millions):

City-wide Converged Network	$15.7
South Irving Library	11.6
Grauwyler-Carl To SH Loop 12	7.0
O'Connor Utility & Paving Reconstruction - SH114 to Riverside	5.9
O'Connor Road Infrastructure Improvements	4.7
Texas Musicians Museum	1.9

See Notes (1) (h) and (5) for more detailed information regarding capital asset activity.

Debt

At year-end, the City had $675 million in outstanding debt, a decrease of $15 million compared to $690 million last year, as shown in Table 4 below.

Table 4
Outstanding Debt, at Year-End
(In Millions)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation bonds - (backed by the City)	$ 210	$ 214	$ -	$ -	$ 210	$ 214
Revenue bonds - (backed by specific tax and fee revenues)	254	255	176	179	430	434
Net premium	6	6	7	8	13	14
Note payable	-	1	-	-	-	1
Lease payable	-	1	-	-	-	1
Other obligations	4	8	-	-	4	8
Water supply obligation	-	-	17	18	17	18
Totals	$ 474	$ 485	$ 200	$ 205	$ 674	$ 690

The City's general obligation debt continues to be rated Aaa by Moody's Investor Services and AAA by Standard and Poor's. The outstanding debt reported in governmental activities decreased by $11 million during the fiscal year due to principal payments and debt refundings exceeding new debt issuances. The City issued $22.8 million in general obligation refunding bonds for various capital projects and to refund previously issued bonds and $17 million in Waterworks & Sewer New Lien Revenue Refunding and Improvement bonds for certain improvements and extensions to the City's Waterworks and Sewer System and to refund a portion of the outstanding debt. Other obligations of $5 million in governmental activities comprised of contractual obligations to DART ($1 million), Texas Department of Transportation ($1.4 million) and NCTCOG ($1 million). Also, $1 million to the State Comptroller of Texas for sales taxes previously allocated to the City, but determined through taxpayer audits, to be due back to the taxpayer or to another city. The sales tax overpayment obligation was offset against sales tax revenues in the governmental activities statement of activities.

The outstanding debt reported in the business type activities decreased by $4 million during the fiscal year due to principal payments and debt refundings exceeding new debt issuances.

Debt information is included in sections (1) (k) and (7) of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General Fund revenues for FY 2015-16 are budgeted at $216.2 million, which is over $20.6 million higher than the adopted FY 2014-15 level. FY 2015-16 includes increased property tax due to an increase in valuation of $1.9 billion while maintaining the tax rate of $0.5941. Sales tax revenue also is projected to increase based on prior year actual revenue. Other revenues were budgeted based on trend analysis and a five year financial forecast with conservative growth projections to reflect the impact of increasing economic activity and new residential development upon the revenue streams of the General Fund.

The certified tax roll as of January 1, 2015 (affecting the 2015-16 fiscal year) is up $1.9 billion from the prior year. This increase is due mainly to increases in commercial real property assessments of $720 million or 7.8% and business personal property increases on $737 million or 15.4%. Residential values also increased by $425 million or 8%. New construction in the amount of $349.1 million was added to the tax roll for 2015. The tax rate was maintained at a rate of $0.5941 per $100 valuation. This amount will generate approximately $11.1 million more ad valorem tax revenues for the General Fund than in FY 2014-15.

Sales tax revenues for FY 2014-15 increased by 10.2% or just over $5.9 million compared to FY 2013-14 actuals at $58 million. The FY 2015-16 revenues were projected to increase to $66.9 million. Projections were based on current year trends and estimates provided by an outside consultant.

For FY 2015-16 total franchise fees have been projected to increase slightly to $21 million. A steadily improving local economy, including new commercial and residential development, is translating to modest increases in franchise fee revenues, which account for 10% of the General Fund budget.

Interest income has declined from a peak of $2.4 million in 2007 as interest rates on short term investments have dropped to historic lows due to the recession and remained at under 1% due to Federal Reserve policy. Interest income for FY 2015-16 is budgeted at $31,000. Recently announced changes in Federal Reserve policy should result in higher interest rates over the next few years. However, the timing and degree of these changes are uncertain, so no assumptions were made to increase the budget above the prior year actual revenue. Partially offsetting the decline in interest income are the favorable interest rates the City has been receiving on new and refinanced debt issuances. The City's AAA credit rating is advantageous as investors seek quality investments, allowing the city to finance projects at the lowest possible interest cost.

Although other areas of the state have been impacted by a sustained decline in energy prices, Irving continues to benefit from a growing economy in the north central Texas region. New commercial and residential construction continues to grow the tax base and increase economic activity in the city, while presenting challenges to provide municipal services to a larger customer base. Sales tax revenues have shown steady, robust growth since the end of the recession. Property values have increased by over $4.6 billion in the past four years to $21.17 billion. Based on economic indicators and the city's long-term financial forecast, budget staff projects gradual but continued growth in most revenue categories. These revenue increases are projected to fund service expansions and partially offset projected increases in salaries, benefits, operations, and economic development incentives.

City management worked with City Council to develop a fifteen year long-range financial plan that will give policy guidance and identify funding sources for future costs, including planned service enhancements. This plan provides a framework for discussions of city policy that will guide the development of the budget for the next several years. Revenues and expenditures are reviewed monthly and the overall economic condition of the city is balanced against departmental and resident requests in an effort to maintain existing levels of service and increase customer satisfaction while maintaining a structurally balanced budget.

General Fund expenditures budgeted for FY 2015-16 are $216.2 million, reflecting a 10.5% increase from the FY2014-15 adopted budget. The total budget includes funding of $827,690 for nine additional fire personnel to staff and equip a new ambulance (Medic #1). Half-year funding of $2.17 million is provided to hire an additional 42 fire personnel to staff engine, ladder, and medic at Fire Station #12, which is under construction and will be in service during the FY 2016-17 budget year. The largest portion of General Fund expenditures are salaries and benefits at 68% of budget. The budget for FY 2015-16 includes full year funding for salary adjustments adopted during FY 2014-15 as well as partial-year funding for a 1.5% cost of living adjustment for all employees. Operating expenses increased as eight new positions were added in addition to the fire positions noted above. Additional non-salary operating increases include: increased transfer for Heritage Crossing debt payment ($1.25 million), increased economic development rebates payable ($4 million), increased payments to the TIF districts ($1.25 million), increased equipment replacement funding ($700,000), and final payment for the DART ILA for the Orange Line ($1.4 million).

In the FY 2015-16 budget, rate increases of 8% were adopted for water and wastewater service. The adopted budget of approximately $91 million is projected to provide funding for all operating and capital expenditures while maintaining sufficient coverage to meet debt service covenants. However, the Trinity River Authority (TRA) has implemented fee increases in the past three years in order to finance their own capital program. It is almost certain that additional TRA rate increases will result in the city increasing rates for next three fiscal years 2017, 2018, and 2019 in order to recover these pass-through cost increases and maintain financial stability.

The Solid Waste Services Fund is also an enterprise fund of the city, responsible for all operating costs associated with residential refuse collection and operation of the city's municipal landfill. The growth of the city is straining the capacity of current solid waste operations. The current route sizes exceed industry standards for manual, bagged collection routes. Solid Waste Services continues to face several challenges, including hiring and retaining workers; risk management, health and safety issues; equipment replacement needs; and landfill development needs. City staff is evaluating the current business model and will present options and recommendations to the council over the next year. The FY 2015-16 budget is based on current rates and service delivery, and provides a balanced budget of $12.6 million.

The Municipal Drainage Utility (MDU) is the city's third enterprise fund. Rates for the MDU were unchanged and the FY 2015-16 budget of $5.25 million is comparable to the previous year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Financial Services Department at City of Irving, 825 W. Irving Blvd. Irving, TX 75060 or at 972-721-2401.

City of Irving, Texas
Statement of Net Position
September 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 160,864,752	$ 52,490,411	$ 213,355,163
Investments	98,501,517	21,518,577	120,020,094
Receivables (net of allowance for doubtful accounts)	28,357,428	15,373,050	43,730,478
Due from other governments	1,355,496	-	1,355,496
Inventories	116,146	942,054	1,058,200
Real estate held for resale	155,720	-	155,720
Prepaids	-	121,283	121,283
Other assets	307,658	-	307,658
Restricted assets:			
Cash and cash equivalents	-	11,445,302	11,445,302
Investments	-	22,953,043	22,953,043
Accrued interest receivable	-	13,161	13,161
Capital assets:			
Non-depreciable	138,433,061	34,321,251	172,754,312
Depreciable (net)	554,460,444	435,206,087	989,666,531
Total assets	982,552,222	594,384,219	1,576,936,441
Deferred outflows of resources			
Deferred charge on refundings	2,800,022	3,007,521	5,807,543
City contributions made after measurement date	12,917,186	1,702,508	14,619,694
Difference in projected and actual earnings of pension plan investments	11,019,279	982,856	12,002,135
Total deferred outflow of resources	26,736,487	5,692,885	32,429,372
Liabilities:			
Accounts payable	9,882,380	3,897,105	13,779,485
Accrued wages & benefits	9,348,496	1,305,755	10,654,251
Accrued interest payable	2,292,084	1,454,397	3,746,481
Customer deposits	-	8,129,602	8,129,602
Unearned revenue	4,033,158	-	4,033,158
Retainage payable	248,448	739,352	987,800
Sundry payables	3,341,709	-	3,341,709
Non-current liabilites:			
Due within one year:			
Compensated absences	1,870,015	62,155	1,932,170
Lease payable	302,814	-	302,814
Bonds payable (includes bond premium)	21,385,026	15,700,403	37,085,429
Water supply obligations	-	333,228	333,228
Other obligations	2,947,466	-	2,947,466
Liability for unpaid claims	4,867,284	-	4,867,284
Due in more than one year:			
OPEB liability	7,752,386	921,055	8,673,441
Net pension liability	88,131,865	6,610,163	94,742,028
Compensated absences	29,039,326	965,210	30,004,536
Lease payable	152,623	-	152,623
Landfill closure postclosure liability	-	4,931,777	4,931,777
Bonds payable (includes bond premium)	447,927,428	167,807,490	615,734,918
Water supply obligations	-	16,902,441	16,902,441
Other obligations	1,599,150	-	1,599,150
Liability for unpaid claims	3,725,493	-	3,725,493
Total liabilities	638,847,151	229,760,133	868,607,284
Deferred inflow of resources			
Difference in expected and actual experience	2,081,309	367,290	2,448,599
Net position:			
Net investment in capital assets	302,297,457	290,323,992	592,621,449
Restricted for:			
Capital projects	421,491	-	421,491
Debt service	31,826,781	11,103,301	42,930,082
Community development projects	53,125,358	-	53,125,358
Other special purposes	4,619,740	-	4,619,740
Unrestricted	(23,930,578)	68,522,388	44,591,810
Total net position	$ 368,360,249	$ 369,949,681	$ 738,309,930

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Activities
Year Ended September 30, 2015

		Program revenues		
Function/Program Activities	**Expenses**	**Charges for services**	**Operating grants and contributions**	**Capital grants and contributions**
Primary Government:				
Governmental activities:				
General government	$ 40,429,015	$ 6,409,150	$ 202,660	$ -
Police	73,178,970	4,999,652	759,322	-
Fire	40,782,841	4,217,053	-	-
Animal services	1,753,743	163,269	-	-
Parks and recreation	20,323,364	1,416,986	-	-
Municipal court	3,696,648	6,509,360	-	-
Library	8,829,030	367,282	70,007	-
Community development	35,563,885	1,562,753	11,782,728	1,756,687
Public works	30,365,126	708,316	-	5,284,293
Interest on long-term debt	20,464,649	-	-	-
Total governmental activites	275,387,271	26,353,821	12,814,717	7,040,980
Business-type activities:				
Water and sanitary sewer	82,733,121	84,826,371	-	3,851,630
Solid waste	12,476,899	12,449,248	-	-
Municipal drainage	6,749,387	5,240,509	-	1,824,676
Total business-type activities	101,959,407	102,516,128	-	5,676,306
Total primary government	$ 377,346,678	$ 128,869,949	$ 12,814,717	$ 12,717,286

General revenues:
Taxes:
Property taxes
Sales taxes
Franchise fees
Hotel / motel occupancy taxes
Investment income
Miscellaneous
Gain on sale of assets
Transfers
Total general revenues and transfers
Change in net position
Net position, beg of year as restated (See Note 1(r))
Net position, end of year

(continued)

See accompanying notes to basic financial statements

Net (Expense) revenue and changes in net postion		
Governmental Activities	Business-type Actvities	Total
$ (33,817,205)	$	$ (33,817,205)
(67,419,996)		(67,419,996)
(36,565,788)		(36,565,788)
(1,590,474)		(1,590,474)
(18,906,378)		(18,906,378)
2,812,712		2,812,712
(8,391,741)		(8,391,741)
(20,461,717)		(20,461,717)
(24,372,517)		(24,372,517)
(20,464,649)		(20,464,649)
(229,177,753)		(229,177,753)
-	5,944,880	5,944,880
-	(27,651)	(27,651)
-	315,798	315,798
-	6,233,027	6,233,027
$ (229,177,753)	$ 6,233,027	$ (222,944,726)
112,750,350	-	112,750,350
64,625,905	-	64,625,905
19,964,103	-	19,964,103
24,616,695	-	24,616,695
249,376	124,443	373,819
1,156,104	-	1,156,104
162,051	-	162,051
500,000	(500,000)	-
224,024,584	(375,557)	223,649,027
(5,153,169)	5,857,470	704,301
373,513,418	364,092,211	737,605,629
$ 368,360,249	$ 369,949,681	$ 738,309,930

(concluded)

City of Irving, Texas
Balance Sheet
Governmental Funds
September 30, 2015

	General	Debt service	Nonmajor governmental funds	Total governmental funds
Assets:				
Cash and cash equivalents	$ 34,129,653	$ 22,390,070	$ 90,149,750	$ 146,669,473
Investments	25,454,453	11,333,937	44,440,363	81,228,753
Receivables (net of allowance for doubtful accounts):				
Taxes	12,922,986	388,745	6,130,009	19,441,740
Franchise fees	4,830,778	-	-	4,830,778
Accrued interest	23,944	6,113	21,787	51,844
Accounts receivable	3,199,120	-	803,752	4,002,872
Due from other funds	1,397,339	-	-	1,397,339
Due from other governments	-	-	1,355,496	1,355,496
Real estate held for resale	-	-	155,720	155,720
Other assets	174,246	-	133,412	307,658
Total Assets	$ 82,132,519	$ 34,118,865	$ 143,190,289	$ 259,441,673
Liabilities:				
Accounts payable	4,237,479	-	2,668,028	6,905,507
Accrued wages and benefits	8,796,512	-	458,070	9,254,582
Due to other funds	-	-	1,397,339	1,397,339
Retainage payable	-	-	248,448	248,448
Sundry payables	2,895,835	-	445,874	3,341,709
Unearned revenue	2,639,645	-	1,393,513	4,033,158
Total liabilities	18,569,471	-	6,611,272	25,180,743
Deferred inflows of resources				
Unavailable revenue	2,989,078	374,007	-	3,363,085
Total deferred inflows of resources	2,989,078	374,007	-	3,363,085
Fund Balances:				
Non-spendable:				
Other assets	174,246	-	-	174,246
Restricted for:				
Retirement of general obligation bonds	-	8,208,138	-	8,208,138
Retirement of special revenue bonds	-	23,030,018	-	23,030,018
Retirement of revenue bonds	-	2,506,702	-	2,506,702
Police	-	-	1,601,369	1,601,369
Parks and recreation	-	-	3,257,573	3,257,573
Community development	-	-	97,416,165	97,416,165
Public works	-	-	22,494,510	22,494,510
Other purposes	-	-	10,414,787	10,414,787
Assigned to:				
Parks and recreations	1,549,278	-	648,971	2,198,249
Community development	3,403,798	-	-	3,403,798
Public works	-	-	1,023,378	1,023,378
Other capital projects	-	-	823,695	823,695
Other purposes	1,424,288	-	-	1,424,288
Unassigned	54,022,360	-	(1,101,431)	52,920,929
Total fund balances	60,573,970	33,744,858	136,579,017	230,897,845
Total liabilities, deferred inflows and fund balances	$ 82,132,519	$ 34,118,865	$ 143,190,289	$ 259,441,673

See accompanying notes to basic financial statements

City of Irving, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Postion
September 30, 2015

Total fund balances--governmental funds		$ 230,897,845
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Equipment	$ 67,105,669	
Land	103,063,723	
Buildings and improvements	264,667,133	
Other capital assets	2,007,185	
Infrastructure assets	480,352,337	
Construction in progress	30,213,786	
Accumulated depreciation	(272,177,617)	
Total capital assets		675,232,216
Some revenues in the governmental funds are unavailable because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues are recognized when earned.		3,363,085
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and computer replacement, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		36,332,481
Some long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	$ 463,705,000	
Bond premium	5,607,454	
Deferred charge in refunding	(2,800,022)	
Accrued interest on bonds	2,292,084	
Payable to State Comptroller	1,103,112	
Payable to DART	1,400,266	
Payable to NCTCOG	976,038	
Payable to Texas Dept of Transportation	1,067,200	
Compensated absences	30,909,341	
OPEB Liability	7,500,475	
Total long-term liabilities		(511,760,948)
Net pension liability and deferred inflows and outflows of resources of pensions plans determined as of measurement date.		(65,704,430)
Net position of governmental activities.		$ 368,360,249

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2015

	General	Debt service	Nonmajor governmental funds	Total governmental funds
Revenues:				
Taxes	$ 170,016,080	$ 27,067,551	$ 24,616,695	$ 221,700,326
Fees, licenses, permits and inspections	9,764,751	-	-	9,764,751
Fines, forfeitures, and penalties	6,336,854	-	2,158,475	8,495,329
Charges for services	732,018	-	672,580	1,404,598
Intergovernmental and intragovernmental	7,689,081	-	12,814,717	20,503,798
Investment income	78,074	34,148	105,904	218,126
Miscellaneous	7,253,800	-	2,492,795	9,746,595
Total revenues	201,870,658	27,101,699	42,861,166	271,833,523
Expenditures:				
Current:				
General government	37,937,793	-	50,023	37,987,816
Police	54,685,883	-	902,438	55,588,321
Fire	38,012,482	-	-	38,012,482
Animal services	1,499,602	-	33,370	1,532,972
Parks and recreation	14,728,749	-	95,419	14,824,168
Municipal court	2,667,604	-	218,178	2,885,782
Library	6,489,850	-	157,281	6,647,131
Community development	15,453,539	-	18,377,372	33,830,911
Public works	15,533,880	-	1,333,529	16,867,409
Debt service:				
Principal	-	15,495,000	615,000	16,110,000
Interest and other charges	-	22,867,894	206,450	23,074,344
Contract payments	-	1,831,243	-	1,831,243
Capital outlay	-	-	41,846,399	41,846,399
Total expenditures	187,009,382	40,194,137	63,835,459	291,038,978
Excess (deficiency) of revenues under expenditures	14,861,276	(13,092,438)	(20,974,293)	(19,205,455)
Other financing sources (uses):				
Issuance of general obligation and certificate of obligation bonds	-	-	12,205,000	12,205,000
Premium on bonds issued	-	518,646	111,185	629,831
Payments to refund escrow	-	(10,940,423)	-	(10,940,423)
Refunding bonds issued	-	10,565,000	-	10,565,000
Transfers in	895,458	18,134,255	6,248,356	25,278,069
Transfers out	(7,252,849)	-	(17,525,220)	(24,778,069)
Total other financing sources (uses)	(6,357,391)	18,277,478	1,039,321	12,959,408
Net change in fund balances	8,503,885	5,185,040	(19,934,972)	(6,246,047)
Fund balances, beginning of year	52,070,085	28,559,818	156,513,989	237,143,892
Fund balances, end of year	$ 60,573,970	$ 33,744,858	$ 136,579,017	$ 230,897,845

See accompanying notes to basic financial statements

City of Irving, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended September 30, 2015

Net change in fund balances--total governmental funds			$ (6,246,047)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and other miscellaneous activity involving capital assets (ie, disposals) in the current period.			
Capital outlay expenditures	$ 40,643,182		
Depreciation expense	(19,248,384)		
Net adjustment			21,394,798
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues.			(607,934)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the receipt of capital assets from developers.			5,284,293
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the the treatment of long-term debt and related items.			
Debt issued:			
GO bonds, certificates of obligation, revenue bonds and note payable	$	22,770,000	
Bond premium		629,832	
Bond premium amortization		(1,037,378)	
Deferred charge on refunding amortization		403,026	
Total debt issued		22,765,480	
Repayments:			
To bondholders/debtors	(16,110,000)		
Payment to Escrow agent:			
Principal	(12,340,000)		
Refunding loss deferred	(239,196)	(12,579,196)	
Total repayments		(28,689,196)	
Net adjustment			5,923,716
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Decrease in sales tax overpayment to State Comptroller for sales taxes	$	(720,000)	
Increase in the amount of compensated absences		712,985	
Decrease in the amount for DART		(1,590,771)	
Decrease in the amount for Texas Department of Transportation		(1,067,200)	
Increase in the amount of OPEB liability		1,129,299	
Decrease in accrued interest on general obligation bonds		(353,233)	
Total adjustment			1,888,920
To record net change in pension activity			(33,024,037)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and computer replacement, to individual funds.			
Change in net position of the internal service funds			233,122
Change in net position of governmental activities			$ (5,153,169)

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Fund Net Position
Proprietary Funds
September 30, 2015

	Business-type Activities- enterprise funds				**Governmental Activities-**
	Water and sanitary sewer	**Solid waste**	**Municipal drainage**	**Totals**	**Internal service funds**
Assets:					
Current assets:					
Current assets - unrestricted:					
Cash and cash equivalents	$ 48,122,538	$ 2,118,161	$ 2,249,712	$ 52,490,411	$ 14,195,279
Investments	20,269,451	-	1,249,126	21,518,577	17,272,764
Accounts receivable, net	13,973,222	1,073,533	309,693	15,356,448	18,195
Accrued interest	16,039	-	563	16,602	11,999
Inventories, at cost	942,054	-	-	942,054	116,146
Prepaid expenses	121,283	-	-	121,283	-
Total current assets - unrestricted	83,444,587	3,191,694	3,809,094	90,445,375	31,614,383
Current assets - restricted:					
Cash and cash equivalents	10,049,623	-	726,149	10,775,772	-
Investments	14,675,884	-	1,298,357	15,974,241	-
Accrued interest receivable	5,707	-	609	6,316	-
Total current assets - restricted	24,731,214	-	2,025,115	26,756,329	-
Total current assets	108,175,801	3,191,694	5,834,209	117,201,704	31,614,383
Noncurrent assets:					
Cash and cash equivalents, bond reserve	346,822	-	322,708	669,530	-
Investments, bond reserve	6,978,802	-	-	6,978,802	-
Accrued interest receivable, bond reserve	6,845	-	-	6,845	-
Capital assets:					
Equipment	-	-	-	-	56,867,631
Land	6,789,452	1,007,261	84,697	7,881,410	-
Water rights	20,939,506	-	-	20,939,506	-
Plant / infrastructure	633,697,364	8,234,094	63,062,920	704,994,378	147,980
Construction in progress	22,074,681	2,916,517	1,448,643	26,439,841	3,148,367
Less accumulated depreciation	(256,483,565)	(4,372,326)	(29,871,906)	(290,727,797)	(42,502,689)
Total capital assets, net	427,017,438	7,785,546	34,724,354	469,527,338	17,661,289
Total noncurrent assets	434,349,907	7,785,546	35,047,062	477,182,515	17,661,289
Total assets	542,525,708	10,977,240	40,881,271	594,384,219	49,275,672
Deferred outflow of resouces					
Deferred charge on refunding	3,007,521	-	-	3,007,521	-
City contributions made after measurement date	1,021,505	454,002	227,001	1,702,508	227,001
Difference in projected and actual earnings of pension plan investments	589,714	262,095	131,047	982,856	131,047
Total deferred outflow of resources	4,618,740	716,097	358,048	5,692,885	358,048
Liabilities:					
Current liabilities:					
Current liabilities - unrestricted funds					
Accounts payable	2,384,605	244,566	76,401	2,705,572	2,976,873
Accrued wages and benefits	767,590	352,996	185,169	1,305,755	93,914
Lease payable	-	-	-	-	302,814
Retainage payable	220,688	-	6,252	226,940	-
Deposits	8,129,602	-	-	8,129,602	-
Compensated absences payable	32,699	19,226	10,230	62,155	-
Estimated liability for unpaid claims	-	-	-	-	4,867,284
Total current liabilities - unrestricted funds	11,535,184	616,788	278,052	12,430,024	8,240,885
Current liabilities payable from restricted assets:					
Accounts payable	734,184	-	457,349	1,191,533	-
Retainage payable	512,412	-	-	512,412	-
Water supply obligations	333,228	-	-	333,228	-
Revenue bonds (net of bond premium)	15,502,147	-	198,256	15,700,403	-
Accrued interest payable	1,434,642	-	19,755	1,454,397	-
Total current liabilities payable from restricted assets	18,516,613	-	675,360	19,191,973	-
Total current liabilities	30,051,797	616,788	953,412	31,621,997	8,240,885
Noncurrent liabilities, net of current portion:					
Compensated absences payable	507,783	298,561	158,866	965,210	-
OPEB payable	438,475	482,580	-	921,055	251,911
Net pension liability	3,966,098	1,762,710	881,355	6,610,163	881,355
Lease payable	-	-	-	-	152,623
Revenue bonds (net of bond premium)	163,801,260	-	4,006,230	167,807,490	-
Water supply obligations	16,902,441	-	-	16,902,441	-
Landfill closure and post closure payable	-	4,931,777	-	4,931,777	-
Estimated liability for unpaid claims	-	-	-	-	3,725,493
Total noncurrent liabilities	185,616,057	7,475,628	5,046,451	198,138,136	5,011,382
Total liabilities	215,667,854	8,092,416	5,999,863	229,760,133	13,252,267
Deferred inflows of resouces					
Difference in expected and actual experience	220,374	97,944	48,972	367,290	48,972
Net position:					
Net investment in capital assets	250,800,918	7,785,546	31,737,528	290,323,992	17,661,289
Restricted for debt service	10,414,117	-	689,184	11,103,301	-
Unrestricted	70,041,185	(4,282,569)	2,763,772	68,522,388	18,671,192
Total net position	$ 331,256,220	$ 3,502,977	$ 35,190,484	$ 369,949,681	$ 36,332,481

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended September 30, 2015

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Operating revenues:					
Charges for services	$ 84,826,371	$ 12,372,868	$ 5,240,509	$ 102,439,748	$ 43,973,198
Miscellaneous	-	76,380	-	76,380	673,070
Total operating revenues	84,826,371	12,449,248	5,240,509	102,516,128	44,646,268
Operating expenses:					
Water purchases	7,193,237	-	-	7,193,237	-
Sewer treatment costs	20,691,620	-	-	20,691,620	-
Personnel services	14,660,101	6,790,511	3,350,955	24,801,567	2,429,990
Supplies	4,736,459	112,837	87,759	4,937,055	5,000,145
Maintenance	2,278,713	2,475,505	1,599,443	6,353,661	133,507
Light and power	2,730,196	-	-	2,730,196	-
Depreciation	14,590,852	617,624	1,209,460	16,417,936	4,385,711
Sundry charges	651,120	-	1,574	652,694	1,722
Administrative charges	5,928,411	1,750,000	10,670	7,689,081	-
Claims	-	-	-	-	29,431,254
Insurance premiums	-	-	-	-	1,916,047
Other	3,000,437	730,422	327,880	4,058,739	1,291,408
Total operating expenses	76,461,146	12,476,899	6,587,741	95,525,786	44,589,784
Operating income	8,365,225	(27,651)	(1,347,232)	6,990,342	56,484
Nonoperating revenues (expenses):					
Investment income	120,907	-	3,536	124,443	31,250
Interest expense and fiscal charges	(6,271,975)	-	(161,646)	(6,433,621)	(16,663)
Gain on sale of capital assets	-	-	-	-	162,051
Total nonoperating revenue (expense)	(6,151,068)	-	(158,110)	(6,309,178)	176,638
Income (loss) before contributions	2,214,157	(27,651)	(1,505,342)	681,164	233,122
Capital contributions	3,851,630	-	1,824,676	5,676,306	-
Transfers out	-	(500,000)	-	(500,000)	-
Change in net position	6,065,787	(527,651)	319,334	5,857,470	233,122
Net position, beginning of year as restated (see Note 1(q))	325,190,433	4,030,628	34,871,150	364,092,211	36,099,359
Net position, end of year	$ 331,256,220	$ 3,502,977	$ 35,190,484	$ 369,949,681	$ 36,332,481

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2015

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	**Solid waste**	**Municipal drainage**	**Totals**	**Internal service funds**
Cash flows from operating activities:					
Receipts from customers	$ 81,803,111	$ 12,219,894	$ 5,240,091	$ 99,263,096	$ 44,072,390
Payments to suppliers for goods, services and claims	(48,866,613)	(4,822,244)	(2,009,665)	(55,698,522)	(33,463,497)
Payments to employees	(11,193,989)	(5,178,991)	(2,600,597)	(18,973,577)	(1,652,754)
Other receipts	-	76,380	-	76,380	573,879
Other payments	-	-	-	-	(1,243,194)
Net cash provided by operating activities	21,742,509	2,295,039	629,829	24,667,377	8,286,824
Cash flows from noncapital financing activities:					
Transfer to other funds	-	(500,000)	-	(500,000)	-
Net cash used in noncapital financing activities	-	(500,000)	-	(500,000)	-
Cash flows from capital and related financing activities:					
Proceeds from sale of revenue bonds	17,095,000	-	-	17,095,000	-
Premium received on sale of bonds	445,978	-	-	445,978	-
Payment to refunded bonds escrow agent	(5,473,503)	-	-	(5,473,503)	-
Principal paid on lease payable	-	-	-	-	(667,826)
Proceeds from sale of capital assets	-	-	-	-	177,725
Acquisition of capital assets	(24,541,798)	(386,994)	(1,251,089)	(26,179,881)	(7,319,484)
Principal paid on revenue bonds	(14,545,000)	-	(185,000)	(14,730,000)	-
Principal paid on water supply rights	(322,729)	-	-	(322,729)	-
Interest paid lease payable	-	-	-	-	(16,663)
Interest paid on revenue bonds / water supply rights	(7,072,167)	-	(161,646)	(7,233,813)	-
Net cash provided by (used in) capital and related financing activities	(34,414,219)	(386,994)	(1,597,735)	(36,398,948)	(7,826,248)
Cash flows from investing activities:					
Interest on investments	131,220	-	2,781	134,001	25,582
Purchase of investments	(78,666,835)	-	(5,295,898)	(83,962,733)	(29,013,118)
Maturities and sale of investments	115,580,058	-	4,547,474	120,127,532	25,477,470
Net cash provided by (used in) investing activities	37,044,443	-	(745,643)	36,298,800	(3,510,066)
Net increase (decrease) in cash and cash equivalents	24,372,733	1,408,045	(1,713,549)	24,067,229	(3,049,490)
Cash and cash equivalents, beginning of year	34,146,250	710,116	5,012,118	39,868,484	17,244,769
Cash and cash equivalents, end of year	58,518,983	2,118,161	3,298,569	63,935,713	14,195,279
Classifed as:					
Current assets - unrestricted	48,122,538	2,118,161	2,249,712	52,490,411	14,195,279
Current assets - restricted	10,049,623	-	726,149	10,775,772	-
Noncurrent assets - restricted	346,822	-	322,708	669,530	-
Total	$ 58,518,983	$ 2,118,161	$ 3,298,569	$ 63,935,713	$ 14,195,279

(continued)

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2015

	Business-type Activities- enterprise funds				Governmental activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ 8,365,225	$ (27,651)	$ (1,347,232)	$ 6,990,342	$ 56,484
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	14,590,853	617,624	1,209,460	16,417,937	4,385,711
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) in accounts receivable	(2,212,664)	(152,974)	(418)	(2,366,056)	-
Decrease in inventories	2,381	-	-	2,381	107,065
(Increase) in prepaid assets	(110,779)	-	-	(110,779)	-
(Increase) in city contributions made after measurement date	(230,461)	(102,427)	(51,213)	(384,101)	(51,213)
(Increase) in difference in projected and actual earnings of pension plan investments	(589,714)	(262,095)	(131,047)	(982,856)	(131,047)
(Decrease) increase in accounts payable	(1,615,479)	40,309	50,663	(1,524,507)	2,404,832
Increase in accrued wages and benefits	95,664	38,914	20,441	155,019	1,533
(Decrease) increase in accrued liabilities	67,456	-	(33,002)	34,454	-
Increase in estimated liability for unpaid claims	-	-	-	-	555,496
Increase in OPEB payable	53,269	95,884	-	149,153	42,615
Increase in net pension liabilities	3,898,696	1,732,754	866,376	6,497,826	866,376
Increase in landfill closure and post closure	-	206,211	-	206,211	-
(Decrease) increase in compensated absences	18,284	10,546	(3,171)	25,659	-
(Decrease) in deposits	(810,596)	-	-	(810,596)	-
Increase in expected and acutal experience	220,374	97,944	48,972	367,290	48,972
Total adjustments	13,377,284	2,322,690	1,977,061	17,677,035	8,230,340
Net cash provided by operating activities	$ 21,742,509	$ 2,295,039	$ 629,829	$ 24,667,377	$ 8,286,824
Noncash financing, capital, and investing activities:					
Capitalized Interest	$ 1,052,367	$ -	$ -	$ 1,052,367	$ -
Contributions of capital assets	3,851,630	-	-	3,851,630	-
Total noncash activities	$ 4,903,997	$ -	$ -	$ 4,903,997	$ -

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2015

	Pension trust funds	Agency fund Cash bond
Assets		
Cash and cash equivalents	$ 1,626,573	$ 33,120
Investments, at fair value		
U.S. government securities	3,084,095	-
Common stock	22,837,537	-
Alternative investment/hedge funds	12,949,786	-
Mutual funds	4,336,325	-
Corporate bonds	4,351,256	-
Municipal obligation	280,878	-
Total assets	49,466,450	33,120
Liabilities		
Sundry payables	-	33,120
Total liabilities	-	33,120
Net position		
Held in trust for pension benefits and other purposes	$ 49,466,450	$ -

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2015

		Pension trust funds
Additions:		
Employee contributions	$	2,302,433
Employer contributions		1,383,222
Investment income		
Net increase in fair value of investments		(1,030,747)
Interest income		707,648
Total investment income		(323,099)
Less investment expense		(398,323)
Net investment income		(721,422)
Total additions		2,964,233
Deductions:		
Benefits and refunds paid		3,619,759
Administrative costs		36,250
Total deductions		3,656,009
Change in net position		(691,776)
Net position, beginning of year		50,158,226
Net position, end of year	$	49,466,450

See accompanying notes to basic financial statements

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2015

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(1) Summary of Significant Accounting Policies

The City of Irving, Texas (the City), was incorporated in 1914 under Article XI of the Constitution of the State of Texas (Home-Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below:

(a) Reporting Entity

The City is a municipality governed by an elected mayor and eight-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City based upon the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.* Generally, GASB Statements No. 14 and GASB Statement No. 61 require entities upon which the City is able to impose its will, or that are fiscally dependent upon the City, to be included in the City's financial reporting entity. Additionally, those entities that the nature and significance of their relationship with the City is such that exclusion from the City's financial reporting entity would render the City's financial statements incomplete or misleading, should also be included in the City's reporting entity.

Blended Component Units – Those entities that meet the above-established criteria for inclusion, as well as either of the following criteria: (1) provide services entirely or almost entirely for the City, or (2) whose board is substantively the same as the City's Council, and (a) the primary government and the component unit have a financial benefit or burden relationship or (b) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit are required to be included as part of the primary government's financial statements through "blended" presentation. The entities that meet the above-established criteria for inclusion as a blended component unit are:

City of Irving Supplemental Benefit Plan (SBP) – The board consists of nine members of which five are elected by employees and four are appointed by Council resolution. The Irving City Council adopts the budget for SBP and sets the employee and employer contribution rates based upon actuarial valuations. The Irving City Council is authorized to establish benefit levels and approve actuarial assumptions used in the determination of contribution levels. The SBP is a fiduciary fund and does not have separately issued financial statements.

City of Irving Voluntary Employee Beneficiary Association (VEBA) – The Irving City Council adopts the budget for the VEBA and sets the employee and employer contribution rates. The Irving City Council is authorized to establish benefit levels and approve assumptions used in the determination of contribution levels. VEBA is a fiduciary fund and does not have separately issued financial statements.

Irving Housing Finance Corporation (IHFC) – The IHFC was incorporated in November 2006 for the purpose of benefiting and accomplishing public purposes of, and on behalf of, the City. The IHFC board is comprised of the City Council members, with the Mayor acting as President. All IHFC transactions are reviewed by the Executive Director of the Housing and Human Services Department and the IHFC Treasurer (City's Chief Financial Officer) who are employees of the City. IHFC is "blended" in the City's financial statements, as a special revenue fund, and does not have separately issued financial statements.

(b) Basis of Presentation

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. The agency fund applies the accrual basis of accounting but has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and sales tax overpayments are recorded only when the liability has matured.

Property taxes, sales taxes, hotel/motel taxes, gross receipts taxes, intergovernmental revenues, certain charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives the cash.

Funds

Governmental funds are those through which most governmental functions typically are financed. The City reports the following major governmental funds:

General Fund – The General Fund is the City's primary operating fund. It accounts for all resources of the general government, except those that are required legally or by sound financial management to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments from 2015 through 2053. The City's property tax is levied, in part, to finance the debt service agreements of the general obligation bonds.

Proprietary funds are used for services for which the City charges customers whether to outside customers or other units of the City. The City reports the following major proprietary funds:

Water and Sanitary Sewer Fund – The Water and Sanitary Sewer Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, financing and related debt service, and billing and collections.

Solid Waste Fund - The Solid Waste Fund accounts for the provision of solid waste collection and disposal services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, and financing and related debt service.

Municipal Drainage – The Municipal Drainage Utility Fund accounts for fees assessed to property owners for improvements to the storm water drainage system and to provide for treatment facilities as required by federal legislation.

Additionally, the City reports the following funds:

> Internal service funds account for garage and equipment replacement, the City's self-insurance programs and computer replacement provided to other departments of the City, on a cost reimbursement basis. These funds primarily support governmental activities.
>
> The pension trust funds account for the activities of the Supplemental Benefit Plan and the Voluntary Employee Beneficiary Association, which accumulate resources for pension-related benefits to qualified City employees and an agency fund to account for cash bond funds.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program* revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Except in certain instances, when both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

For pension trust funds, contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Non-current governmental assets and liabilities not reported at the fund level are included in the Governmental activities column in the government-wide Statement of Net Position.

(c) Cash, Cash Equivalents, and Investments

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury including its agencies and instrumentalities, municipal bonds, and investment pools consisting of U.S. Treasury obligations, repurchase agreements, commercial paper, and mutual funds.

The City's policy is to record investments with maturities of one year or less at the time of purchase at amortized cost. All other investments are recorded at fair value. It is the City's (exclusive of the SBP Fund) practice to hold all investments to maturity.

Trustees for the SBP are authorized to invest in fixed income, U.S. equities, non-U.S. equities, real estate, and alternative investments.

(d) Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and investment pools to be cash equivalents.

(e) Inventories

Inventories are recorded as expenditures in governmental funds at the time of purchase and accordingly, have not been reported on the governmental funds Balance Sheet. Inventories for the proprietary funds consist of fuel and parts, and are recorded at cost using the first in/first out method.

(f) Inter-fund Transactions

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from" or "due to" other funds, as they are expected to be repaid within one year. Internal amounts due between governmental and business type activities as of the end of the year are reflected within the government-wide financial statements.

Transactions Between Funds

Transactions between funds, which would have been treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit, are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund reimbursed. Reimbursement for services provided by the General Fund to the enterprise funds are recorded as revenues and expenses respectively.

Eliminations are made in the Statement of Activities to remove the doubling-up effect of internal service fund activity. The effects of similar internal events that are, in effect, allocations of overhead expenses from one function to another or are within the same function are eliminated. The effect of inter-fund services provided and used between functions is not eliminated in the Statement of Activities. Internal service fund asset and liability balances that are not eliminated in the Statement of Net Position are reported in the governmental activities column.

(g) Water Supply Rights

Water supply rights represent the City's contractual rights to utilize water at Lake Chapman for municipal and industrial use. The City began receiving water from Lake Chapman during fiscal year 2003. Water rights are being amortized on a straight-line basis over the term of the related obligation of 50 years. See notes 1(k) and 8 for additional information regarding the City's contractual obligations.

(h) Capital Assets

Capital assets are defined by the government as those tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Property, plant, and equipment purchased or acquired is carried at historical cost or estimated historical cost if original cost is not available (estimated fair value, plus any ancillary charges, at time of receipt for assets contributed). Public domain (infrastructure) assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

The City of Irving's capitalization threshold for capital assets is $5,000. Major outlays for capital assets and improvements are capitalized as projects are constructed. Maintenance and repairs are charged to operations as incurred whereas improvements and betterments that extend the useful lives of capital assets are capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, if significant. However, interest is not capitalized in the governmental activities, as this is prohibited under Generally Accepted Accounting Principles (GAAP). For fiscal year 2015, interest costs were capitalized in the Water and Sanitary Sewer fund in the amount of $720,639.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible (such as land, land improvements and art work). Capital assets that are being or have been depreciated are reported net of accumulated depreciation in the Statement of Net Position. Depreciation expense for capital assets that can be specifically identified with a function are included in that function's direct expenses whereas depreciation expense for shared capital assets are ratably included in the direct expenses of the appropriate function unless otherwise indicated as unallocated. Depreciation expense for general infrastructure assets is not allocated to the various functions but is reported as a direct expense of the function normally associated with capital outlays for, and maintenance of, infrastructure assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Estimated Useful Life
Buildings and improvements	50-65 years
Infrastructure and plant	50 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	2-12 years

(i) Deferred outflows/inflows

In addition to assets, the statement of financial position may have a separate section of deferred outflows of resources. This separate section will represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refundings - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between projected and actual earnings related to pensions– This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position may have a separate section of deferred inflows of resources. This separate section will represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has only one item that qualifies for reporting in this category. The Difference between expected and actual economic experience related to pensions. It is unavailable revenue and is reported only in the governmental funds balance sheet and amortized over a closed five year period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(j) Federal and State Grants and Entitlements

Grants and entitlements received for purposes normally financed through the general government are accounted for within the special revenue funds. Community Development Block Grants are the more significant grants classified as special revenue funds. Revenues are recognized when all eligibility requirements have been met and the funds are available.

(k) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Issuance costs and deferred losses are amortized over the life of the bonds using the straight line method. In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

General obligation bonds, which have been issued to fund capital projects of the general government, are to be repaid from the ad valorem tax revenues of the City. General obligation bond debt is recorded in the governmental activities column in the Statement of Net Position.

Special revenue bonds, which have been issued to fund a number of civic projects, are to be repaid primarily from the hotel occupancy tax revenues of the City. Special revenue bond debt is recorded in the governmental activities column in the Statement of Net Position.

Water and Sanitary Sewer revenue bonds, which have been issued to fund capital projects, are to be repaid from the net revenues of the Water and Sanitary Sewer System fund. Water and Sanitary Sewer revenue bond debt is accounted for in the Water and Sanitary Sewer fund. Likewise, Municipal Drainage Utility System revenue bonds issued for the purpose of drainage improvements are to be repaid from the net revenues of the Municipal Drainage fund.

Water supply obligations, which represent long-term contracts between the City and the U.S. government for specified rights to a water supply in return for payment of costs to construct facilities, are to be repaid from the net revenues of the Water and Sanitary Sewer fund. Water supply obligation debt is accounted for in the Water and Sanitary Sewer fund.

In the governmental funds Balance Sheet, liabilities arising from inter-fund activities and matured liabilities (other than those associated with proprietary or fiduciary funds) are reported as governmental fund liabilities. Matured liabilities include: (1) liabilities that normally are due and payable in full when incurred, and (2) the matured portion of general long-term indebtedness (the portion that has come due for payment). Debt service on formal debt issues (such as bonds and tax notes) is recognized as a governmental fund liability and expenditure when due.

(l) *Compensated Absences*

All regular full-time employees accrue vacation and sick leave on a bi-weekly basis. Vacation leave may only be accrued up to a maximum number of hours, based on an employee's length of service. Sick leave may be accrued up to an unlimited amount. Compensatory leave may be accrued up to a maximum amount.

Upon employee termination and completion of the six (6) month orientation period, the City pays for unused vacation and compensatory leave up to a maximum allowable accrual. General government employees are not paid for accrued sick leave; however, police officers and firefighters may be paid up to 2,500 hours if certain requirements are met.

(m) *Nature and Purpose of Classifications of Fund Equity*

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purpose pursuant to a formal action approved by the City Council through an ordinance. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City Council or City management as discussed before the Audit and Finance Committee of the City Council and approved by the City Manager and Chief Financial Officer in accordance with the City's financial policies.

For the classification of Governmental Fund balances, the City considers expenditures to be made from the most restrictive first when more than one classification is available. Net position restricted for revenue bond retirement in the Proprietary Funds is a reserve required by revenue bond covenants.

(n) Minimum Fund Balance Policy

It is the desire of the City to maintain adequate fund balance in operating funds to maintain liquidity, as well as, anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to maintain a minimum fund balance, for operations, of 90 days of budgeted expenditures. The General Fund, Non-bond capital project fund (non major fund), Equipment Replacement and Computer Replacement fund (internal service funds) are taken into account when determining the minimum fund balance.

(o) Net Position

In the government-wide financial statements, the net position is reported in three components (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

(p) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(q) Pensions

The City has three pension plans, Firemen's Relief and Retirement Fund, Supplemental Benefit Plan and Texas Municipal Retirement System. Information about the fiduciary net position of the City's pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by each of the City's pension plans. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments in the plans are reported at fair value.

(r) Restatement of Net Position's Beginning Balance

The implementation of GASB Statement 68, *"Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27"* and GASB Statement 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date"*, resulted in the restatement of beginning net position for the elimination of the previously reported net pension liability, the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date. Prospectively applying this change results in the adjustment as follows:

	Governmental wide Statement of activities	
	Governmental activities	Business-type activities
Beginning Net position at September 30, 2015 as previously reported	$ 398,030,617	$ 362,886,141
Elimination of net pension liability at September 30, 2015	8,002,385	-
Recording of net pension liability at September 30, 2015	(43,067,860)	(112,337)
Deferral for pension contributions made after the measurement date	10,548,276	1,318,407
Beginning Net position as restated at September 30, 2015	$ 373,513,418	$ 364,092,211

	Fund Level Proprietary statement of revenues, expenses and changes in net position			
	Water and sanitary sewer	Solid waste	Municipal drainage	Internal service funds
Beginning Net position at September 30, 2015 as previously reported	$ 324,466,791	$ 3,709,009	$ 34,710,341	$ 35,938,550
Recording of net pension liability at September 30, 2015	(67,402)	(29,956)	(14,978)	(14,978)
Deferral for pension contributions made after the measurement date	791,044	351,575	175,787	175,787
Beginning Net position as restated at September 30, 2015	$ 325,190,433	$ 4,030,628	$ 34,871,150	$ 36,099,359

(2) Cash and Cash Equivalents and Investments

State statutes, the City's Investment Policy and the City's Depository and Investment Agreement govern the investments of the City (exclusive of the SBP). Major provisions of the City's investment policy include the following: depositories must be FDIC-insured institutions, depositories must fully insure or collateralize all deposits, and investments must be purchased in the name of the City and be delivered to the City's agent for safekeeping. The deposits and investments of the SBP are held separately from those of other City funds by an outside trustee appointed by the City.

Deposits – At September 30, 2015, the carrying amount of the City's (exclusive of SBP) deposits was $56,084,708 and the bank balance was $60,518,442 which was entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name. Supplemental Benefit Plan deposits of $1,278,966, representing money market mutual funds, are held by a bank trust and are managed by independent investment managers for the ultimate benefit of City employees who participate. These investments are reported at fair value. At September 30, 2015, the City's cash on hand totaled $18,761.

Investments – The City's investments held as of September 30, 2015, were as follows:

	Carrying Amount	Fair Value
Pooled investments		
Federal Home Loan Bank Discount Notes	$ 49,559,130	$ 49,587,224
Federal Home Loan Mortgage Assoc. (Freddie Mac)	43,168,364	43,203,620
Federal Farm Credit Bank Discounted Notes (Farm Credit)	17,356,663	17,373,661
Federal National Mortgage Association (Fannie Mae)	32,389,320	32,418,383
Federal Agricultural Mortgage Corporation (Farmer Mac)	10,494,986	10,497,088
Texpool Investment Pool	71,014,417	71,014,417
TexStar Investment Pool	70,837,000	70,837,000
Stadium Bonds Trust	180,703	180,703
Wells Fargo Advantage Government Money Market Fund	17,050,275	17,050,275
Subtotal	312,050,858	312,162,371
Supplemental Benefit Plan (SBP)		
Federal National Mortgage Association (Fannie Mae)	3,452	3,452
United States Treasury Notes	3,080,643	3,080,643
Common Stocks	22,837,537	22,837,537
Alternative Investments/Hedge Funds	12,949,786	12,949,786
Mutual Funds	4,336,325	4,336,325
Corporate Bonds	4,351,256	4,351,256
Municipal Obligations	280,878	280,878
Subtotal	47,839,877	47,839,877
Total	$ 359,890,735	$ 360,002,248

All of the above items with a maturity date of three months or less from date of purchase and investment pools are included in cash equivalents for financial reporting purposes.

All investments of the City during the year were in Certificates of Deposits, Federal Home Loan Discount Notes, Federal Home Loan Mortgage Association (Freddie Mac), Federal Farm Credit Bank Discounted Notes (Farm Credit), Federal National Mortgage Association (Fannie Mae), Federal Agricultural Mortgage Corporation (Farmer Mac), Texpool Investment Pool, TexStar Investment Pool, Wells Fargo Advantage Government Money Market Fund, or a supplemental benefit trust fund. The Stadium Bonds Trust investments represent the City's portion in an irrevocable trust that the City set up to refund the stadium bonds. The City has called and tendered offer for a portion of these bonds; therefore, the trust at September 30, 2015 exceeds the outstanding debt at that date.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City of Irving manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City of Irving monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio on a quarterly basis. The City's investment policy (exclusive of SBP Fund) limits the weighted average of its portfolio to 365 days for its operating funds. The policy requires that maturities in the capital project and debt service funds be sufficient to cover obligations in those funds. At September 30, 2015, the maximum weighted average maturity by investment type was 143 days. The SBP portfolio managed by Federated Investors in a Core Aggregate strategy is constrained in regards to duration to that of the benchmark index, the Barclays Capital U.S. Aggregate Index with a typical duration range that is +/- 20% of the duration of this benchmark index. A portion of the SBP fixed income is invested in PIMCO Absolute Return Strategy IV Fund (PARS) and Blackstone Real Estate Income Fund (BRIEF). PARS is a discretionary global macro and fixed income hedge fund. BRIEF primarily invests in a broad range of liquid real estate debt instruments.

Credit Risk – Generally, this is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. By policy, the City of Irving requires a minimum rating of AAA or its equivalent on some investments. The City's investments in U.S. Agency securities (FHLB, FAMC, FHLMC and FNMA) were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively. The investment in Texas Local Government Pools (Texpool and Texstar) carried a credit rating of AAA by Standard and Poor's as of September 30, 2015. Credit risk of the overnight money market fund is not a perceived issue as the U.S. Government Agencies consistently maintain the highest credit ratings an organization can receive.

The investment policy of the SBP requires that the fixed income account managed by any manager shall maintain a weighted average credit rating that falls within the "A" category or better, as determined by the major credit ratings agencies at all times. Fixed income securities for SBP made up 35.31% of total investments as of September 30, 2015.

Concentration of Credit Risk – The City of Irving limits investment in any investment type to a maximum of 50% of the portfolio except for investment pools which may be a maximum of only 20% of the portfolio excluding bond proceeds, per individual pool. For SBP, managers shall not invest more than 5% of the Funds' value in the issues of any one issuer, with the sole exceptions of the U.S. Government, its agencies, or instrumentalities. The strategic target for all fixed income investments shall range from 35%-100%. The SBP limits this type of risk by requiring a maximum of 25% of the market value of the entire fund in an industry, and a maximum of 5% in any one company with the sole exception of the U.S. Government, its agencies or instrumentalities.

Custodial Credit Risk – This is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City requires its collected deposits in excess of the federal depository insurance to be collateralized by the depository institution at the rate of 102.5% of the value of the deposits. The collateral must be in the form of an instrument authorized by the State of Texas Public Fund Investment Act held by the City's agent in the City's name.

(3) Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied on October 1 on the taxable value listed as of the prior January 1 for all real and business personal property located in the City. Appraised values are established by the Dallas Central Appraisal District at 100% of estimated market value and are certified by the Appraisal Review Board. The taxable value for the beginning of fiscal year 2015 as provided by the Dallas County Tax Office was $19,280,434,934.

The City is permitted by Article XXI; Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of appraised valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Under the City Charter, however, a limit on taxes levied for the same governmental services has been established at $1.50 per $100 of appraised valuation. The tax rate for the year ended September 30, 2015 was $.5941 ($.4518 for general government and $.1423 for debt service) per $100 of appraised valuation. Thus, the City has a tax margin of $0.90 per $100 and could levy up to approximately $173 million in additional taxes per year from the present appraised valuation.

Taxes are due immediately following the October 1 levy date and are considered delinquent after the following January 31. Current tax collections for the year ended September 30, 2015 were 99.45% of the adjusted tax levy.

Delinquent property taxes of $1,236,938 and $443,148 are included in taxes receivable in the General Fund and Debt Service Fund, respectively.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this system, the City sets tax rates on City property.

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(4) Receivables

Receivables at September 30, 2015 for Governmental Activities of the City's individual major funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

Receivables	**General**	**Debt Service**	**Non-major Funds**	**Internal Service**	**Total Governmental Activities**
Property taxes	$ 1,727,993	$ 597,812	$ -	$ -	$ 2,325,805
Sales taxes	11,799,308	-	-	-	11,799,308
Hotel occupancy taxes	-	-	6,028,453	-	6,028,453
Franchise fees	4,830,778	-	101,556	-	4,932,334
Municipal court receivable	13,492,739	-	-	-	13,492,739
Accrued interest	23,944	6,113	21,787	11,999	63,843
Accounts receivable	2,610,400	-	806,955	59,806	3,477,161
Total gross receivables	34,485,162	603,925	6,958,751	71,805	42,119,643
Less allowance for doubtful accounts					
Property Taxes	(604,315)	(209,067)	-	-	(813,382)
Municipal court receivable	(11,714,525)	-	-	-	(11,714,525)
Accounts receivable	(1,189,494)	-	(3,203)	(41,611)	(1,234,308)
Total allowance	(13,508,334)	(209,067)	(3,203)	(41,611)	(13,762,215)
Total receivables, net	$ 20,976,828	$ 394,858	$ 6,955,548	$ 30,194	$ 28,357,428

Receivables at September 30, 2015 for the City's enterprise funds net of allowance for uncollectible accounts consist of the following:

Receivables	**Water and Sanitary Sewer**	**Solid Waste**	**Municipal Drainage**	**Total Business-type Activities**
Accounts receivable	$ 14,569,392	$ 1,184,916	$ 370,980	$ 16,125,288
Accrued interest	16,039	-	563	16,602
Total gross receivables	14,585,431	1,184,916	371,543	16,141,890
Less allowance for doubtful accounts	(596,170)	(111,383)	(61,287)	(768,840)
Total receivables, net	$ 13,989,261	$ 1,073,533	$ 310,256	$ 15,373,050

Governmental funds report *unavailable and unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

		Unavailable		Unearned
Delinquent property taxes receivable (general fund)	$	1,078,237	$	-
Municipal court receivable (general fund)		1,282,236		-
Accounts receivable (general fund)		628,605		-
Delinquent property taxes receivable (debt service fund)		374,007		-
TxDOT lease agreement (general fund)		-		2,639,645
Grant drawdowns prior to meeting all eligibility requirements (non-major governmental funds)		-		1,393,513
Total unavailable/unearned for governmental funds	$	3,363,085	$	4,033,158

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(5) Capital Assets

Capital asset balances and activity for the year ended September 30, 2015 was as follows (in thousands):

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 99,107	$ 3,957	$ -	$ 103,064
Works of Art	2,007	-	-	2,007
Construction in progress	46,748	24,284	37,670	33,362
Total capital assets not being depreciated	147,862	28,241	37,670	138,433
Capital assets being depreciated:				
Buildings and improvements	249,699	15,116	-	264,815
Equipment	108,059	22,710	7,545	123,224
Infrastructure	456,819	24,283	-	481,102
Total capital assets being depreciated at historical cost	814,577	62,109	7,545	869,141
Less accumulated depreciation for:				
Buildings and improvements	48,619	5,154	577	53,196
Equipment	74,925	6,700	7,519	74,106
Infrastructure	175,599	11,779	-	187,378
Total accumulated depreciation	299,143	23,633	8,096	314,680
Total depreciable capital assets, net	515,434	38,476	(551)	554,461
Governmental activities capital assets, net	$ 663,296	$ 66,717	$ 37,119	$ 692,894

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Total business-type activities:				
Capital assets not being depreciated:				
Land	$ 7,872	$ 9	$ -	$ 7,881
Construction in progress	19,883	17,104	10,547	26,440
Total capital assets not being depreciated	27,755	17,113	10,547	34,321
Capital assets that are being depreciated:				
Water rights	20,940	-	-	20,940
Plant	680,110	25,290	406	704,994
Total capital assets being depreciated, at historical cost	701,050	25,290	406	725,934
Less accumulated depreciation for:				
Water rights	4,688	420	-	5,108
Plant	270,028	15,998	406	285,620
Total accumulated depreciation	274,716	16,418	406	290,728
Total depreciable capital assets, net	426,334	8,872	-	435,206
Business-type activities capital assets, net	$ 454,089	$ 25,985	$ 10,547	$ 469,527

Depreciation expense was charged to functions/programs as follows (in thousands):

	Governmental Activities	Business-Type Activities
General government	$ 6,080	$ -
Police	1,628	-
Fire	1,435	-
Public health and environmental services	1,230	-
Parks and recreation	2,886	-
Municipal court	128	-
Library	714	-
Planning and development	42	-
Drainage utilities	176	-
Public works	9,314	-
Solid Waste	-	618
Municipal drainage	-	1,209
Water and sanitary sewer	-	14,591
	$ 23,633	$ 16,418

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The governmental activities construction in progress is funded principally by general obligation bonds or special revenue bonds and is comprised of the following as of September 30, 2015 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2015	Commitments For Future Expenditures
Storm Sewer	$ 2,965	$ 2,211	$ 754
Park Improvement	934	574	360
Fire	5,892	4,858	1,034
Criminal Justice	671	480	191
Landfill	1,914	14	1,900
City Building Improvement	3,865	3,767	98
Non-Bond CIP	4,773	2,644	2,129
Street Improvement	21,239	18,801	2,438
Radio Communication	1	-	1
System Applications	36	13	23
Total governmental activities	$ 42,290	$ 33,362	$ 8,928

The business-type activities construction in progress is funded principally by revenue bonds and utility operations and is composed of the following as of September 30, 2015 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2015	Commitments For Future Expenditures
Water Improvement	$ 9,364	$ 7,557	$ 1,807
Sewer Improvement	10,914	5,671	5,243
Water and Sewer	16,064	8,847	7,217
Municipal Drainage	2,590	1,449	1,141
Solid Waste	3,607	2,916	691
Total business-type activities	$ 42,539	$ 26,440	$ 16,099

(6) Capital Leases

The City entered into a lease agreement as lessee for financing the acquisition of various fire equipment which is payable from governmental activities. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through a capital lease are as follows:

	Governmental Activities
Assets:	
Equipment	$ 3,259,025
Less: Accumulated depreciation	(983,990)
Total	$ 2,275,035

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015 are as follows:

Year ending September 30	Governmental Activities
2016	$ 306,879
2017	153,440
Total minimum future lease payments	460,319
Less: Amount representing interest	(4,882)
Present value of minimum lease payments	$ 455,437

(7) Long-Term Debt

Bonds payable at September 30, 2015 are comprised of the following:

General Obligation Bonds		
$52,610,000 General Obligation Refunding and Improvement Bonds, Series 2005A due in annual principal payments ranging from $1,285,000 to $5,790,000 through November 15, 2025. Rates range from 3.5% to 5%.	$	23,590,000
$27,500,000 General Obligation Bonds, Series 2007 due in annual principal payments of $1,375,000 through September 15, 2027. Rates range from 4% to 5%.		16,500,000
$32,725,000 General Obligation Bonds, Series 2008 due in annual principal payments ranging from $1,635,000 to $1,640,000 through September 15, 2029. Rates range from 3.5% to 4.5%.		22,890,000
$4,000,000 Combination Tax and Revenue Certificates of Obligation. Series 2008 due in annual principal payments of $200,000 through September 15, 2029. Rates range from 3.25% to 4.6%.		2,800,000
$39,155,000 General Obligation Refunding and Improvement Bonds, Series 2009 due in annual principal payments ranging from $890,000 to $3,680,000 through September 15, 2029. Rates range from 2.5% to 5%.		19,445,000
$17,975,000 General Obligation Bonds, Series 2010 due in annual principal payments ranging from $895,000 to $900,000 through September 15, 2030. Rates range from 2.0% to 5.%.		13,475,000
$34,770,000 General Obligation Refunding and Improvement Bonds, Series 2011 due in annual principal payments ranging from $105,000 to $7,930,000 through September 15, 2031. Rates range from 2.0% to 5.0%.		33,915,000
$22,350,000 General Obligation Refunding and Improvement Bonds, Series 2012 due in annual principal payments ranging from $605,000 to $1,680,000 through September 15, 2032. Rates range from .05% to 3%.		19,725,000
$17,835,000 General Obligation Bonds, Series 2013 due in annual principal payments ranging from $890,000 to $895,000 through September 15, 2033. Rates range from 2% to 4.5%.		16,045,000
$19,860,000 General Obligation Bonds, Series 2014 due in annual principal payments ranging from $985,000 to $1,000,000 through September 15, 2034. Rates range from 3% to 5%.		18,860,000
$22,770,000 General Obligation Refunding and Improvement Bonds, Series 2015 due in annual principal payments ranging from $620,000 to $4,730,000 through September 15, 2035. Rates range from 2% to 4%.		22,770,000
	$	210,015,000

Special Revenue Bonds

$125,940,000 Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation, Series 2009 due in annual principal payments ranging from $150,000 to $11,850,000 through September 15, 2039. Rates range from 3.625% to 5.087%.	$ 125,940,000
$8,750,000 Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation, Series 2013A due in annual principal payments ranging from $40,000 to $780,000 through September 15, 2032. Rates range from 2% to 3%.	8,750,000
$3,210,000 Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation, Series 2013B due in annual principal payments ranging from $40,000 to $250,000 through September 15, 2032. Rates range from 2% to 3.125%.	3,210,000
$5,775,000 General Obligation Refunding Taxable Bonds, Series 2013 due in annual principal payments ranging from $625,000 to $695,000 through September 15, 2021. Rates range from 1% to 2.25%.	3,985,000
$20,725,000 Combination Tax and Revenue Certificates of Obligation Bonds, Series 2014 due in annual principal payments ranging from $395,000 to $2,010,000 through September 15, 2033. Rates ranges from 3% to 5%.	20,725,000
$24,660,000 Hotel Occupancy Tax Revenue Refunding Bonds, Taxable Series 2014A due in annual principal payments ranging from $195,000 to $1,805,000 through August 15, 2053. Rates range from 4.606% to 7.25%.	24,660,000
$39,655,000 Hotel Occupancy Tax Revenue Bonds, Tax-Exempt Series 2014B due in annual principal payments ranging from $190,000 to $3,375,000 through August 15, 2043. Rates range from .65% to 5.5%.	37,790,000
	$ 225,060,000

Revenue Bonds

$29,095,000 Solid Waste Disposal System Revenue Refunding Taxable Bonds, Series 2012 due in annual principal payments ranging from $150,000 to $2,365,000 through September 30, 2032. Rate is fixed at 4.67% for 15 years, thereafter based on adjusted LIBOR rate plus 270 basis points.	$ 28,630,000
	$ 28,630,000

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Business-Type Activities

Revenue Bonds

$30,800,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2006 due in annual principal payments rangings from $460,000 to $2,725,000 through August 15, 2026. Rates range from 4% to 5.25%.	$	19,085,000
$16,280,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2007 due in annual principal payments ranging from $515,000 to $1,185,000 through August 15, 2027. Rates range from 4% to 5%.		11,405,000
$12,115,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2008 due in annual principal payments ranging from $890,000 to $1,350,000 through August 15, 2028. Rates range from 4% to 4.5%.		12,115,000
$21,475,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2009 due in annual principal payments ranging from $680,000 to $2,595,000 through August 15, 2029. Rates range from 3% to 5%.		16,055,000
$69,005,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2011 due in annual principal payments ranging from $1,370,000 to $6,165,000 through August 15, 2031. Rates range from 4.5% to 5%.		48,170,000
$40,035,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2012, due in annual principal payments ranging from $630,000 to $3,745,000 through August 15, 2032. Rates range from 1% to 3%.		32,180,000
$17,430,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2013, due in annual principal payments ranging from $600,000 to $1,210,000 through August 15, 2033. Rates range from 2% to 4.25%.		16,190,000
$17,095,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2015, due in annual principal payments ranging from $470,000 to $1,265,000 through August 15, 2035. Rates range from 2% to 4%.		17,095,000
$2,120,000 Municipal Drainage Utility System Revenue Bonds, Series 2010 due in annual principal payments ranging from $80,000 to $145,000 through August 15, 2030. Rates range from 2% to 4.25%.		1,705,000
$2,660,000 Municipal Drainage Utility System Revenue Bonds, Series 2013 due in annual principal payments ranging from $95,000 to $190,000 through August 15, 2033. Rates range from 2% to 4.375%.		2,465,000
	$	176,465,000

Long-term liability activity for the year ended September 30, 2015 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds:					
General obligation bonds	$ 214,100	$ 22,770	$ 26,855	$ 210,015	$ 18,150
Special revenue bonds	225,880	-	820	225,060	1,110
Revenue bonds	28,790	-	160	28,630	1,140
Net premiums	6,015	630	1,038	5,607	985
Total bonds payable	474,785	23,400	28,873	469,312	21,385
Other liabilities:					
Liability for insurance claims	8,037	28,453	27,897	8,593	4,867
Note payable	615	-	615	-	-
Lease payable	1,123	-	668	455	303
Compensated absences	30,196	14,583	13,870	30,909	1,870
OPEB liability	6,580	1,172	-	7,752	-
Net pension liability	43,053	45,079	-	88,132	-
Other obligations:					
DART	2,135	-	1,068	1,067	1,067
Texas dept of transportation	2,991	-	1,591	1,400	1,400
NCTCOG	976	-	-	976	-
State comptroller	1,823	-	720	1,103	480
Total other liabilities	97,529	89,287	46,429	140,387	9,987
Total governmental activities long term liabilities	$ 572,314	$ 112,687	$ 75,302	$ 609,699	$ 31,372

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds and contractual obligations payable:					
Revenue bonds	$ 179,460	$ 17,095	$ 20,090	$ 176,465	$ 14,515
Net premiums	7,929	446	1,332	7,043	1,185
Water supply obligations	17,558		322	17,236	333
OPEB liability	772	149	-	921	-
Net pension liability	112	6,498	-	6,610	-
Landfill closure and postclosure care liability	4,726	206	-	4,932	-
Compensated absences	1,002	1,082	1,056	1,028	62
Total business-type activities long-term liabilities	$ 211,559	$ 25,476	$ 22,800	$ 214,235	$ 16,095

The City intends to retire its general obligation bonds, plus interest, from future ad valorem taxes and other revenues. Special revenue bonds, plus interest, will be repaid from future hotel occupancy taxes. Solid Waste Disposal System Revenue bonds will be repaid from budgeted economic development revenues of the General Fund. The City also has a United States Department of Housing and Urban Development (HUD) Section 108 Guarantee Loan in the amount of $5,200,000 as part of a Community Development Block Grant Interlocal Cooperation agreement with the Dallas County Hospital District (Parkland) in support of a Community Oriented Primary Care Clinic in the City. Principal and interest payments will be made from Community Development Block Grant (CDBG) entitlement funds. Final principal payment of $615,000 was made in July 2015. Net pension obligations and net other postemployment benefit obligations are generally liquidated by the general fund. The City has other obligations payable to Dallas Area Transit Authority (DART), Texas Department of Transportation and North Central Texas Council of Governments (NCTCOG). The amount payable to DART is per a contractual agreement and will be paid over a two year period from Non-bond CIP funds. The amount payable to Texas Department of Transportation is per a participation agreement and amounts will be paid over a two year period from Street Bond funds. The amount payable to NCTCOG is payable per a land bank agreement and amount is estimated to be due in fiscal year 2018 and will be paid from available economic development funds in the General Fund. The amount payable to the State Comptroller of Texas is being repaid from future sales tax revenue over the next four years. The liability is for sales tax previously allocated to the City, but determined, through taxpayer audits, to be due back to the taxpayer or to another city. Revenue bonds and water supply obligations of the Water and Sanitary Sewer Enterprise Fund and Municipal Drainage revenue bonds will be repaid, plus interest, from the net operating revenues of the funds. Future obligations for landfill closure and compensated absences will be partially funded using current accrued reserves and future revenues.

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Annual debt service requirements to maturity for long-term bonded debt are as follows (in thousands):

Governmental Activities	General Obligation Bonds And Tax Notes		Special Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Years ending September 30:						
2016	$ 18,150	$ 8,426	$ 1,110	$ 11,022	$ 1,140	$ 1,341
2017	14,860	7,651	1,715	11,003	1,195	1,284
2018	13,795	7,134	2,530	10,963	1,250	1,228
2019	12,785	6,653	3,365	10,892	1,305	1,169
2020	20,655	6,103	3,715	10,793	1,370	1,112
2021-2025	78,660	18,574	27,945	51,239	7,865	4,525
2026-2030	38,945	6,328	44,485	43,675	9,880	2,507
2031-2035	12,165	1,030	56,740	31,698	4,625	327
2036-2040	-	-	58,070	16,337	-	-
2041-2045	-	-	13,945	6,131	-	-
2046-2050	-	-	6,385	3,286	-	-
2051-2053	-	-	5,055	750	-	-
Total	$ 210,015	$ 61,899	$ 225,060	$ 207,789	$ 28,630	$ 13,493

Business-Type Activities	Revenue Bonds		Water Supply Obligations	
	Principal	Interest	Principal	Interest
Years ending September 30:				
2016	$ 14,515	$ 7,370	$ 333	$ 561
2017	15,140	6,768	344	550
2018	15,345	6,138	355	539
2019	15,460	5,473	367	527
2020	14,955	4,785	379	515
2021-2025	56,190	15,626	2,087	2,383
2026-2030	33,135	6,012	2,449	2,020
2031-2035	11,725	957	2,874	1,595
2036-2040	-	-	3,373	1,096
2041-2045	-	-	2,166	596
2046-2050	-	-	2,057	279
2051	-	-	452	15
Total	$ 176,465	$ 53,129	$ 17,236	$ 10,676

(a) General Obligation Bonds

On June 30, 2015, the City of Irving issued $22,770,000 in General Obligation Refunding and Improvement Bonds, Series 2015. A portion of the bond sale, $10,565,000 was used to refund previously issued bonds. $4,840,000 of General Obligation Refunding and Improvement Bonds, Series 2004, and $7,500,000 General Obligation Bonds, Series 2005 were refunded and redeemed on July 30, 2015 and September 15, 2015 respectively. Amount of $12,579,196 comprised of proceeds (including premiums) of $10,940,423 and transfers from prior issue debt service of $1,638,773 were deposited with the escrow agent to purchase obligations authorized by Chapter 1207, Texas Government Code. The reacquisition price exceeded the net carrying value of the old debt by $239,196. This amount will be amortized over the life of the refunded debt, which is shorter than the life of the new debt. As a result, the $10,565,000 refunded obligation is considered defeased and the liability for the bonds has been removed from the City's financial statements. Also, the City decreased its debt service payments by $1,108,727, and incurred an economic gain (difference between present value of debt service payments of old and new) of $2,613,871. The bonds also provided new funds in the amount of $12,205,000 to provide (a) $3,214,797 for street improvements, (b) $1,757,520 for park improvements (c) $4,520,732 for fire station improvements, (d) 1,456,056 for landfill improvements, (e) $502,846 for criminal justice improvements, (f) $753,049 for communication equipment and (g) the costs associated with the issuance of the Bonds. The 20 year bonds have interest rates that range from 2% to 4%. Principal payments will range from $620,000 to $4,730,000 per annum for maturities through 2035 and are payable annually and interest is payable semiannually until maturity (September 15, 2035). The bonds are payable from ad valorem taxes.

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current principal and interest installments as they become due. The Debt Service Fund has $8,208,138 available to service the general obligation bonds as of September 30, 2015. The remaining fund balance is available to service special revenue bonds, as well as, revenue bonds.

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2015, no rebate liability was accrued on General Obligation Bonds.

(b) Special Revenue Bonds

The Combination Tax and Revenue Certificates of Obligation Bonds are Special Revenue bonds secured and payable from a pledge of ad valorem taxes and special assessments levied within the Public Improvement District.

The Hotel Occupancy Tax Revenue Bonds, Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation and the General Obligation Refunding Taxable Bonds are Special Revenue Bonds secured and payable from a pledge of both hotel occupancy taxes and ad valorem taxes.

The City is required by Bond Ordinance to create and maintain an Interest and Sinking Fund to be used for the payment of debt service on the Special Revenue Bonds outstanding. These funds are restricted in use as explained below.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Special Revenue Bonds as they become due and payable. The City is required to make quarterly deposits to the fund to meet the debt service requirements. Amounts available to service the Special Revenue Bonds totaled $6,440,550.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Special Revenue Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. As of September 30, 2015, the total amount required to be accumulated in the Reserve Fund is $16,577,175. Actual accumulation in the Reserve fund at September 30, 2015 is $16,589,468.

(c) Solid Waste Disposal System (Heritage) Revenue Bonds

The Solid Waste Disposal System (Heritage) Revenue Bonds are payable solely from and secured by a lien on and pledge of the Solid Waste Disposal System revenues; the debt service payments are made from economic development revenues in the General Fund; therefore, the bonds are reflected as governmental activities.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Solid Waste Disposal System Revenue Bonds as they become due and payable. The City is required to make monthly deposits to the fund to meet the debt service requirements. Amounts available as of September 30, 2015 to service the Revenue Bonds totaled $20,405 due to a debt service payment made on September 30, 2015.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Solid Waste Disposal System Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. On June 7, 2012, the reserve requirement for these revenue bonds was $2,418,815 which is determined by the lesser of (i) Maximum Annual Debt Service at date of issuance, (ii) 125% of average Debt Service or (iii) 10% of the original principal of bonds at date of issuance. As of September 30, 2015, the total amount required to be accumulated in the Reserve Fund is $2,481,815. Actual accumulation in the Reserve fund at September 30, 2015 is $2,486,297.

(d) Municipal Drainage Utility System Revenue Bonds

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the Municipal Drainage Utility.

Interest and Sinking Fund – The Interest and Sinking Fund (aka Bond Fund) is used to pay principal and interest on the Municipal Drainage Utility System Revenue Bonds as they become due and payable. The City is required to make equal monthly installments to the fund to meet the debt service requirements. Amounts available to service the Municipal Drainage Utility System Revenue Bonds totaled $346,721 at September 30, 2015.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the revenue bonds if the amount in the Bond Fund is insufficient for such purpose. As of September 30, 2015, the total amount required to be accumulated in the Reserve Fund is $322,708. Actual accumulation in the Reserve fund at September 30, 2015 is $325,639.

(e) Water and Sanitary Sewer Revenue Bonds

On June 30, 2015, the City sold $17,095,000 of Waterworks & Sewer System New Lien Revenue Refunding and Improvement bonds, Series 2015. Proceeds for the bonds sales were to provide funds to refund a portion of the city's outstanding debt consisting of (a) $905,000 of Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2004 (redeemed July 30, 2015), $4,455,000 of Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2005 (redeemed August 15, 2015), (c) make certain improvements and extensions to the City's Waterworks and Sewer System and pay the costs associated with the issuance of the bonds. As a result, $5,360,000 of the refunded obligation is considered to be defeased and the liability for those bonds have been removed from the City's financial statements. The reacquisition price exceed the net carrying amount of the old debt by $113,503. The amount is being amortized over the life of the refunded debt which is shorter than the life of the new debt issued. This refunding resulted in an economic gain of $705,221 and a reduction of $531,460 in debt service payments.

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the City's Waterworks and Sewer System (the System).

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2015, no rebate liability was accrued on Water and Sewer Revenue Bonds.

The City is required by Bond Ordinance to create and maintain certain funds to be held for the payment of debt service on the outstanding Revenue Bonds. These funds, as fully explained below, are restricted in use and held by the City.

New Lien Interest and Sinking Fund – The New Lien Interest and Sinking Fund is used to pay principal and interest on the New Lien Revenue Bonds as they become due and payable. The City is required to make equal monthly deposits to the fund to meet the debt service requirements. As of September 30, 2015, the amount required should be 1/12 of the next principal payment and 1/6 of the next interest payment totaling $1,800,173. Amounts held in the New Lien Interest and Sinking Fund totaled $3,163,418 at September 30, 2015.

New Lien Reserve Fund – The New Lien Reserve Fund is used to pay principal and interest on the New Lien Revenue Bonds falling due at any time amounts in the New Lien Interest and Sinking Fund are insufficient to meet such payments. The Bond Ordinance requires the City to maintain an amount equal to greater of (i) 50% of the average annual principal and interest requirements of all outstanding bonds or (ii) 33.3% of the maximum annual principal and interest requirements of all outstanding bonds. Based on the outstanding New Lien Revenue Bonds at September 30, 2015, the total amount required to be accumulated within 60 months in the New Lien Reserve Fund is $7,179,303. Amounts held in the New Lien Reserve Fund at September 30, 2015 totaled $7,332,469.

Compliance with Debt Covenants – At September 30, 2015, and for the year then ended, management believes that the City was in compliance with all financial bond covenants on outstanding revenue and general obligation debt.

(f) Water Supply

On March 29, 1968, the City entered into a water supply contract (the Agreement) with the U.S. government whereby the City has received the right to utilize a specified supply of water stored at Lake Chapman (formerly Cooper Reservoir), which has been designated for municipal and industrial use. The City began amortizing these rights in fiscal year 2004 over the term of the related obligation of 50 years. Interest rate on the obligation is 3.25%.

Under the provisions of the Agreement, the City has incurred a contractual obligation which represents a specified percentage of the construction costs of the Lake by the U.S. Army Corps of Engineers, including estimated future operation, maintenance, and replacement costs after completion of the project.

The first payment for initial water supply use was due and payable within 30 days following the date upon which the Lake became operative for other purposes (date of deliberate impoundment September 28, 1991). Payments thereafter are due within 30 days of the anniversary date of the first payment. The first payment for future water supply use was due and payable within 30 days of the 10th anniversary of the date of notification of deliberate impoundment.

(g) ***Defeased Bonds Outstanding*** – In current and prior years, the City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2015, $7,085,000 of bonds outstanding are considered defeased.

(8) Contractual Obligations for Water Supply and Wastewater Treatment

Long-term contracts between the City and other governmental authorities give the City specified rights to water supply and wastewater treatment, in return for payment of costs to construct facilities serving the City and a portion of the operating expenses of those facilities.

Wastewater Treatment

On March 16, 1973, the City entered into an agreement with the Trinity River Authority (TRA) whereby TRA agreed to provide a wastewater treatment and disposal system for the benefit of the City and other cities located within the Upper Trinity River Basin. Each city pays its proportionate share of operating expenses and debt service of TRA. The City's annual payment for the year ended September 30, 2015 was $20,691,620. The agreement will remain in effect through the year 2023 or until any outstanding bonds or refunding bonds have been paid in full.

Water Supply

On February 22, 1955, the City, the City of Grand Prairie and the City of Dallas entered into an agreement whereby Dallas would provide treated water supply. The current contract expires in 2033. The annual payment for the year ended September 30, 2015 was $2,025,026.

On June 30, 2003, the City entered into an agreement with the City of Dallas whereby Dallas would provide treatment of and storage for the City's water from Jim Chapman Lake for thirty years. The annual payment for the year ended September 30, 2015 was $5,168,211.

(9) Inter-fund Balances

(a) ***Inter-fund Receivables and Payables:*** Inter-fund receivable and payable balances at September 30, 2015 were as follows:

	Receivables	Payables
General fund	$ 1,397,339	$ -
Non-major governmental	-	1,397,339
Total	$ 1,397,339	$ 1,397,339

Inter-fund receivables and payables consist of:

- Administrative costs for the collection, accounting, and distribution of hotel occupancy taxes due to City General Fund organizations;
- Receivables due from various non-major funds to the City's General fund;

These balances are expected to be liquidated during the next fiscal year.

(b) Inter-fund Transfers: Transfers are made from one fund to the other for services or assets provided to other funds. Transfers made between funds during the year are listed below.

	Transfers In			
	General Fund	Debt Service Fund	Non-major Governmental	Total
Transfers out:				
General Fund	$ -	$ 1,504,493	$ 5,748,356	$ 7,252,849
Solid Waste	-	500,000	-	500,000
Non-major governmental funds	895,458	16,129,762	500,000	17,525,220
	$ 895,458	$ 18,134,255	$ 6,248,356	$ 25,278,069

Inter-fund transfers consist of:

- General Fund to Debt Service for debt payments of revenue bonds;
- Convention Center Complex and Entertainment Venue, and Solid Waste funds to the Debt Service Fund to pay for the debt related to these activities;
- General Fund to several grants within the non-major governmental fund for grant activities and projects;
- Transfers between General Fund and Tax Increment Financing District (TIF) pertain to City's participation in TIF.

(10) Self-Insurance Fund

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, natural disasters, and outstanding medical claims. During fiscal year 1989, the City established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of $500,000 for each workers' compensation, employer liability claim, and combined workers' compensation and employer liability, and all physical damages to City vehicles. The City purchases commercial insurance for claims in excess of coverage provided by the Self Insurance Fund and for all other risks of loss. Settled claims have not exceeded their commercial coverage for any of the past three fiscal years. The City also accounts for the provision of employee health insurance through the City-sponsored PPO and indemnity plan. Premiums are paid into the fund by the City and by employees. Premiums are set by actuaries at an amount to cover claims, fees, administrative costs and the purchase of excess reinsurance. All actuarial-determined, outstanding medical claims are expected to be paid within the next twelve months.

All funds of the City participate in the program and make payments to the Self-Insurance Fund based on historical cost and actuarial estimates of the amounts needed to pay any unfunded portions of prior year claims and estimated current year claims and to establish a reserve for catastrophic losses. The reserve was ($7,459,312) at September 30, 2015, which is represented by the net position of the City's Self-Insurance Fund. The claims liability of $8,592,777 reported in the fund at September 30, 2015 is based on the requirements of GASB No. 10, as amended, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. It requires that a liability for claims be reported if information, prior to the issuance of the financial statements, indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. Effective January 1, 2007, the City no longer offered an HMO insurance plan. Employees previously in the HMO plan had the option to elect the City-sponsored PPO plan. The increase in participants resulted in increase in claims activity. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable material, salvage, and subrogation. Changes in the estimated liability for unpaid claims in fiscal years 2014 and 2015 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2013 - 2014	$ 8,131,449	$ 27,724,431	$ 27,818,599	$ 8,037,281
2014 - 2015	$ 8,037,281	$ 28,453,007	$ 27,897,511	$ 8,592,777

(11) Employee Benefit Plans

The City participates in three retirement plans at September 30, 2015. The Firemen's Relief and Retirement Fund (FRRF) is a defined benefit plan covering the City's firefighters. The Supplemental Benefit Plan is a contributory defined benefit plan covering all full-time City employees (excluding Fire Civil Service employees and nonresident aliens). The City is also a member of the Texas Municipal Retirement System (TMRS). TMRS is a statewide agent multi-employer, joint contributory, hybrid-defined benefit plan.

For employees participating in FRRF or TMRS, the total annual amount of the City contribution for retirement benefits for such employees shall not exceed 16.75% of the total annual salaries of such employees.

The FRRF and the Supplemental Benefit Plan are reported using the economic resources measurement focus and the accrual basis of accounting. Contributions, benefits, and refunds paid are recognized when due.

(a) Firemen's Relief and Retirement Fund (FRRF)

The Board of Trustees of the Irving FRRF is the administrator of the FRRF, a single-employer contributory defined benefit pension plan. FRRF is not a part of the City's reporting entity because the City does not have fiduciary responsibility of the FRRF assets, is not able to impose its will on the FRRF, nor is the FRRF fiscally dependent on the City, since the Board of Trustees has the ability to complete certain essential fiscal events such as the determination of employee contribution rates, without approval by the City, and the board is not appointed by the City Council. FRRF covers current and former Fire Department personnel of the City, as well as certain beneficiaries of former Fire Department personnel. Separate audited financial statements are available and can be obtained by contacting the Irving Fire Department at the City of Irving, 845 W. Irving Blvd, Irving, Texas 75060.

All full-time employees of the City of Irving Fire Department are members of the Irving FRRF.

Benefits: Members and the City each contribute to the Fund. Members contributions are "picked up" by the City, as permitted under Section 414(h)(2) of the Internal Revenue Code. For this reason, a member's contributions are excluded from his taxable income when paid into the Fund.

Members receive credit for service for the period of employment during which they pay into, and keep on deposit in the Fund, the contributions required by the Fund. Service also includes periods during which the member received a disability benefit from the Fund in excess of the minimum $200 monthly benefit for covered members. However, the service granted during periods of disability is limited to the amount of service, if any, necessary to bring the member's total service up to 20 years.

Retirement, death, disability and terminations benefits are calculated based upon a member's average compensation. Average compensations is based on the member's pay for the 78 consecutive two-week pay periods during which his total pay was the highest.

FRRF provides service retirement, death, and disability benefits. These benefits vest after 20 years of credited service. Employees may retire at age 50 with 20 years of service. The monthly benefit at retirement equals 3.175 percent of the member's average monthly compensation multiplied by the member's whole years and months of service not in excess of 21 years plus $60 per month for each year of service in excess of 21 years.

Service retirement benefits are payable for the member's lifetime. In the event a member's death precedes that of their spouse, two-thirds of the member's pension will be continued to the spouse for their lifetime.

A member is eligible to elect early retirement upon completion of 20 years of service and attainment of age 45. A member who retires under the early retirement provisions of the Fund will receive reduced monthly retirement benefits.

In the event of the disability of a plan participant before the date the plan participant qualifies for a service retirement benefit, the plan participant will receive a monthly benefit, payable in the same form as the service retirement benefit.

In the event of the death of a plan participant who is in active service, the plan participant's spouse will receive a monthly benefit equal to the sum of 42.33 percent of the member's average monthly compensation, plus two-thirds of the monthly retirement benefit which the member had accrued as of the date of his or her death. This benefit is payable for the spouse's lifetime; however, in the event of the spouse's death, the benefit is continued to the children eligible for the orphan's benefit.

In addition to the above spouse's benefit, each unmarried child of the plan participant will receive a monthly benefit of 8.47% of the plan participant's average monthly compensation. Benefits continue until the child reaches age 18 (age 22 for a full-time student or for life in the case of the child's disability).

The sum of all benefits payable on behalf of a plan participant may not exceed the service retirement benefit to which participant was entitled as of the date of participant's death. In the event such benefits do exceed this limit, each beneficiary's benefit is reduced pro rata until the sum of the benefits complies with this limitation.

If a plan participant has completed at least 20 years of service but has not attained age 50 on participant's date of termination, participant will be entitled to receive a monthly retirement income commencing at age 50. The amount of such benefit will equal the monthly retirement benefit the plan participant had earned as of participant's date of termination.

Plan participants who terminate service prior to the date they complete ten years of service will be entitled to receive the return of their employee contributions. However, plan participants who terminate with at least ten years of service may elect to receive, in lieu of their accumulated contributions, a monthly retirement benefit, commencing on the date the plan participant would have both attained age 50 and completed 20 years of service, equal to a pro rata share of participant's anticipated retirement benefit at date of termination, multiplied by the appropriate vested percentage.

The types of employees covered and current plan membership as of December 31, 2014 (the date of the most recent Plans financial statement) are as follows:

Retirees and beneficiaries currently receiving benefits	151
Terminated employees entitled to but not yet receiving benefits	1
Active members	314
Total	466

Contributions: The Irving FRRF is subject to a state-mandated minimum employer contribution rate equal to the lessor of (a) the fire fighter contribution rate or (b) 12 percent of covered payroll. The contribution rates of Plan members and the City are established under the terms of the Plan. An actuarial valuation is performed every two years to evaluate the levels to which Plan assets and contributions are able to meet the benefit liability. Cost of administering the Fund are paid form Plan assets.

The member's contribution rate is 12 percent of their covered payroll. For fiscal year 2015, the City made contributions of 15% of covered payroll for the months in 2014, and 15.65 percent of covered payroll for the months in 2015.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2014 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation prepared as of January 1, 2014.

Actuarial assumptions: The TPL was determined using the following assumptions utilized in the preparation of the actuarial report prepared as of January 1, 2014:

Inflation	3.00%
Salary increases	3.00% to 11.30%
Investment Rate of Return	8.25%, net of pension plan investment expense, including inflation

Salary increases were based on service related tables. Mortality rates are based from RP2000 Mortality Table, male and female rates, projected to 2015 using scale AA, with separate rates from males and females. The assumptions were chosen based on expected future rates of retirement, mortality, disability and termination. Mortality was taken from published studies and was updated to reflect future improvement. The assumed retirement age and the salary increase rates were developed based on the plan's own experience. Disability and termination rates were based on published rates. The actuarial cost method used in the valuation is the individual entry age normal actuarial.

The assumed retirement age for active members was changed from age 56 to a retirement table developed based on the fund's experience with respect to retirement based on attained age and age at date of employment. Twenty years of service is required in order to be eligible for service retirement under the fund. The rate at which active members' salary is assumed to increase each year was changed from 4.50 percent per year to a table based on the member's years of service. The annual rate of increase in total payroll was lowered from 4.50 percent per year to 4.25 per year. Also, the assumed inflation rate was lowered from 3.25 percent to 3 percent per year.

The assumed 8.25 percent rate of return can be considered to include a provision for inflation at 3 percent per year, although other combinations of real return, risk premium and inflation are also accounted for by an 8.25 percent assumed rate. The rate of return is net of Plan expenses. The same inflation component was used in the assumed rate of return on the actuarial value of assets, the assumed increases in compensation for individual members and other actuarial assumptions.

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	9.63%	3.00%
Large Cap Growth	14.19%	5.95%
Large Cap Value	15.13%	7.47%
Small and Mid Cap Growth	6.84%	8.40%
Small and Mid Cap Value	4.74%	8.30%
Emerging Markets	5.62%	5.80%
International Equity	21.85%	4.50%
Real Estate	10.53%	7.75%
Alternative Investments	11.30%	13.00%
Cash and Short-term Fixed	0.17%	0.60%
	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and the contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability:

	Increase (Decrease) Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Increase (Decrease) Net Pension Liability
Balance at 12/31/2013	$ 213,725,584	$ 171,294,299	$ 42,431,285
Changes for the year			
Service cost	4,866,613	-	4,866,613
Interest	17,745,490	-	17,745,490
Change in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumption	-	-	-
Contributions - employer	-	4,006,697	(4,006,697)
Contributions - employee	-	3,200,993	(3,200,993)
Net investment income	-	7,328,533	(7,328,533)
Benefit payments, including refunds of employee contributions	(6,823,584)	(6,823,584)	-
Administrative expense	-	(167,106)	167,106
Other changes	-	-	-
Net changes	15,788,519	7,545,533	8,242,986
Balance at 12/31/2014	$ 229,514,103	$ 178,839,832	$ 50,674,271

The following presents the net pension liability of the City calculated using the discount rate of 8.25 percent, as well as, what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher that the current rate:

	1% Decrease 7.25%	Current 8.25%	1% Increase 9.25%
City's net pension liability	$ 67,719,060	$ 50,674,271	$ 35,973,770

Pension Plan Fiduciary Net Position: Detailed information about the Plan's Net Position is available in a separately issued audited financial statements and can be obtained by contacting the Irving Fire Department at the City of Irving at 845 W. Irving Blvd, Irving, Texas 75060.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2015, the City recognized pension expense of $6,799,925.

At September 30, 2015, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between projected and actual investment earings	$ 5,449,758	$ -
Contributions subsequent to the measurement date	3,269,644	-
	$ 8,719,402	$ -

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of $3,269,644 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2015 (i.e., recognized in the City's financial statements September 30, 2016). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2015	$ 1,362,440
2016	1,362,440
2017	1,362,440
2018	1,362,438
	$ 5,449,758

(b) Supplemental Benefit Plan

Effective March 1, 1984, the City established the City of Irving Supplemental Benefit Plan (SBP), a single-employer contributory defined benefit plan. The plan covers employees who are members of the Texas Municipal Retirement System (Government and Police employees). Participation in the plan provides employees an opportunity to supplement their retirement income as these employees will not be eligible for Social Security benefits based on their employment with the City. The plan also replaces to the extent possible, the types of benefits previously provided by the Social Security System such as survivor and disability benefits.

Benefits: SBP provides retirement benefits as well as death and disability benefits. Retirement benefits vest after five years of credited service. Employees who retire at or after age 65 are entitled to an annual retirement benefit, payable for life or life of the beneficiary, depending on the benefit option selected by the retirees. Benefits are calculated based on 1/12 of 0.6% of their final average earnings for each year of credited service. The final average earnings amount is the average earnings in the three consecutive calendar years of service producing the highest such average. Employees are eligible for early retirement age at age 60 after five years of service, or at any age after completion of 20 years of service. All early retirees receive a reduced retirement benefit. Covered employees are required to contribute 2.5% of their earnings to SBP. If an employee leaves covered employment for reasons other than retirement, disability or death with less than five years of credited service, accumulated employee contributions are returned to the employee without interest. If an employee has five or more years of credited service, they may select either a refund of their contributions without interest or a monthly income payable at age 60 equal to the retirement benefit earned to date of termination. Disability benefits are payable six months after an employee is determined to be disabled under the provisions of SBP. Benefits are payable monthly and are equal to 1/12 of 70% of the participant's annualized pay rate at date of disablement reduced by disability income from the TMRS, Social Security, and workers' compensation. SBP also provides death benefits payable monthly to dependent children until attainment of age 25 and a single sum benefit to the surviving spouse.

Employees covered by benefit terms: All City full-time employees except Fire Civil Service employees are covered by SBP. As of January 1, 2015 (the date of the most recent actuarial valuation), membership consisted of:

Retirees and beneficiaries	347
entitled to refund	181
Active members	1,378
Total	1,906

Contributions: The employee contribution rate is 2.50%. The City Council established a maximum employer contribution level, which could be provided to support the benefits of the SBP. Council Resolution #12-16-82-582, enacted December 13, 1982, provided, in part, that the contribution to the SBP shall not exceed the Social Security tax which would otherwise be payable with respect to covered employees plus 3.69% of the salaries of such employees, less the City's contribution to the TMRS. In January 1995, the City had ceased all employer contributions, but beginning January 1, 2012, Council approved resuming contributions to the Plan. The SBP rate approved through the fiscal year 2015 budget process for the City's contribution is 1.49%. The total pension rates for 2015 are in compliance with the City Charter cap limit of no more than 16.75% of total salaries & wages contributed to retirement benefit plans. SBP, which is considered part of the City's financial reporting entity, is included in this report as a pension trust fund.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2014 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation dated January 1, 2015.

Actuarial assumptions: The TPL in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00%
Salary increases	3.50% to 12.00%
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates were based on the RP-2000 Tables for males and females projected to year 2003. Varying rates of retirement based on a member's age were established based on plan's experience as determined by the TMRS experience study.

The actuarial assumptions used in the January 1, 2015 valuation were adopted by the Board in 2012 to match the assumptions used by TMRS in their valuation of the City's TMRS liabilities. The assumptions are internally consistent and are considered reasonable, based on past and anticipated future experience of the Plan.

The long-term expected rate of return on the pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the SPB Board. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the funding needs of the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	35.00%	4.60%
Large Cap Core	14.50%	9.70%
Small & Mid Cap Core	5.50%	10.90%
Internaitonal Equity	15.00%	10.10%
Emerging Markets	5.00%	11.90%
Real Estate	5.00%	10.00%
Private Equity	10.00%	13.40%
Hedge Funds	5.00%	10.00%
Commodity	5.00%	5.40%
	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.0%. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). For valuation purposes, the expected rate of return on the pension plan investments was 7.0%: the municipal bond rate was 3.56% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting discount rate was 7.0%.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2013	$ 60,968,277	$ 47,733,993	$ 13,234,284
Changes for the year			
Service cost	2,844,836	-	2,844,836
Interest	4,259,329	-	4,259,329
Change in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumption	-	-	-
Contributions - employer	-	1,358,113	(1,358,113)
Contributions - employee	-	2,262,508	(2,262,508)
Net investment income	-	2,711,022	(2,711,022)
Benefit payments, including refunds of employee contributions	(3,086,278)	(3,086,278)	-
Administrative expense	-	(118,500)	118,500
Other changes	-	-	-
Net changes	4,017,887	3,126,865	891,022
Balance at 12/31/2014	$ 64,986,164	$ 50,860,858	$ 14,125,306

Sensitivity of the net pension liability to changes in the discount rate: The sensitivity of the net pension liability to change in the discount rate, the following presents the plan's net pension liability, calculated using a discount rate of 7.0%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percent lower and one percent higher.

	1% Decrease 6.00%	Current 7.00%	1% Increase 8.00%
City's net pension liability	$ 22,948,503	$ 14,125,306	$ 6,793,934

Pension Plan Fiduciary Net Position: The SBP plan currently does not issue a separate financial report. Detailed information about the Plan's Net Position is included in the City's financial report as a pension trust fund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2015, the City recognized pension expense of $1,641,360.

At September 30, 2015, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between projected and actual investment earings	$ 607,775	$ -
Contributions subsequent to the measurement date	1,076,706	-
	$ 1,684,481	$ -

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of $1,076,706 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2015 (i.e., recognized in the City's financial statements September 30, 2016). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2016	$ 151,944
2017	151,944
2018	151,944
2019	151,943
	$ 607,775

(c) Texas Municipal Retirement System

The City provides pension benefits for all of its full-time employees (except Fire Civil Service).

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits: TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

In addition, the City has granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Also, the City has adopted a annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to 30% of the change in the consumer price index (CPI).

A summary of the plan provisions for the City are as follows:

	Plan year 2014
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligiblity (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	30% of CPI

Employees covered by benefit terms: At the December 31, 2014 valuation and measurement date, the following employees were in covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	835
Inactive employees entitled to but not yet receiving benefits	396
Active employees	1,383
Total	2,614

Contributions: The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2015, the City made contributions of 11.15% for the months in 2014 and contribution of 14.16% for the months in 2015.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. This experience study was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate: The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2013	$ 568,125,288	$ 580,610,660	$ (12,485,372)
Changes for the year			
Service cost	13,088,408	-	13,088,408
Interest	42,078,112	-	42,078,112
Change in benefit terms	39,545,256	-	39,545,256
Difference between expected and actual experience	(2,994,771)	-	(2,994,771)
Changes in assumption	-	-	-
Contributions - employer	-	10,031,514	(10,031,514)
Contributions - employee	-	6,420,961	(6,420,961)
Net investment income	-	33,211,991	(33,211,991)
Benefit payments, including refunds of employee contributions	(26,197,731)	(26,197,731)	-
Administrative expense	-	(346,774)	346,774
Other changes	-	(28,511)	28,511
Net changes	65,519,274	23,091,450	42,427,824
Balance at 12/31/2014	$ 633,644,562	$ 603,702,110	$ 29,942,452

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease 6.00%	Current 7.00%	1% Increase 8.00%
City's net pension liability	$ 114,788,005	$ 29,942,452	$ (40,391,057)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2015, the City recognized pension expense of $48,963,333.

At September 30, 2015, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual economic experience	$ -	$ 2,448,599
Difference between projected and actual investment earings	5,944,604	-
Contributions subsequent to the measurement date	10,273,343	-
Total	$ 16,217,947	$ 2,448,599

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $10,273,343 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2015 (i.e. recognized in the city's financial statements September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2015	$ 939,979
2016	939,979
2017	939,979
2018	939,979
2019	(263,911)
	$ 3,496,005

(12) Voluntary Employee Beneficiary Association

Effective August 31, 2000, the City established the City of Irving Voluntary Employee Beneficiary Association (VEBA) Trust. The purpose of the plan was to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. The benefit was initially established at a level that represented 75% of the "retiree-only" premium for the lowest cost medical plan offered by the City.

The VEBA Plan was significantly amended in September 2004 to include eligible active employees as well as eligible retirees. An eligible retiree means an individual who has retired or was eligible to retire from active service with the City before January 1, 2005 and has at least 25 years of service with the City before January 1, 2005. Benefit is received when the eligible retiree has attained either (i) 55 years of age and at least 30 years of service with the City or (ii) 60 years of age and at least 25 years of service with the City. The period of coverage commences with the enrollment of an eligible employee and ends on the later of (a) the date the eligible employee retires or (b) the last day of the month in which the eligible employee attains age 65. The monthly subsidy for eligible retirees is fixed at $168.75. Annual VEBA subsidy payments totaled $78,469 in fiscal year 2015.

Existing funds were allocated to establish a reserve sufficient to meet the full funding requirements at the time for the current retirees and future eligible employees. The City has not made contributions during the fiscal year to the Trust.

There are currently 34 retirees enrolled in the plan:

Quality Connect	9
Choice Open Access Plus	23
Open Access Plus	2

Because the amounts in the Trust are for the benefit of both retirees and current employees and because the City has used funds from the Trust to subsidize current employee premiums to the healthcare plan, the Trust does not qualify to be considered an Other Post-Employment Benefit Plan subject to GASB Statement 43.

(13) Other Post-Employment Benefits

Plan Description: In addition to the pension benefits described in Note 11, as required by state law and defined by City Policy, the City makes available health care benefits to all employees who retire from the City and who are receiving benefits from the City's sponsored retirement program (Texas Municipal Retirement System) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance of eligible retirees, their spouses and dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established by management.

Effective January 1, 2006, employees may retire after attaining age 60 and at least five years of service or with 20 years of service regardless of age to remain on the group health and life insurance plan for life. Effective August 3, 2006, the group health benefit plan was revised a) to define "Retiree" as any former employee who has met the specified requirements for service or disability retirement under any one of the retirement plans sponsored by the City and b) to revise eligibility for medical benefits for retirees and dependents and clarified continuity of coverage for both the retiree and dependents. The retired employees are required to pay 100% of the premium. The plan does not issue a separate report. For financial reporting purposes, the retiree health plan is accounted for in the Self Insurance Fund. As of September 30, 2015, 124 participants were receiving benefits.

Funding Policy: Current retirees contribute to the retiree health plan the total blended premium for active participants and the City's contribution for actives. The City's contribution consists of pay-as-you-go claims in excess of the retiree contributions. Retiree contributions rates for fiscal year 2015 ranged from $319.98 to $1,759.04 per month depending on age and coverage levels selected. In fiscal year 2015, total member contributions were $6,073,157. The City contribution to the plan of retiree claims net of retiree contributions for fiscal year 2015 was $260,839.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) for the retiree health plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB

Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	$ 1,557,585
Interest on net OPEB obligation	330,857
Adjustment to annual required contribution	(306,535)
Annual OPEB cost (expense)	1,581,907
Contributions made	(260,839)
Change in OPEB obligation	1,321,068
Net OPEB obligation – beginning of year	7,352,373
Net OPEB obligation – end of year	$ 8,673,441

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	2,065,693	45.6%	6,388,232
2014	1,533,351	37.1%	7,352,373
2015	1,581,907	35.9%	8,673,441

Funded Status and Funding Progress: As of December 31, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $19,045,783, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $113,137,689 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 16.83%.

Actuarial valuation of the plan involves estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

A summary of actuarial assumptions is as follows:

Actuarial Valuation Date	December 31, 2013
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Payroll
Amortization Period	Open, 30 year period
Asset Valuation Method	Market
Investment Rate of Return	4.5%
Payroll growth	3.0%
Withdrawal rates (low, mid or high) for Male/Female	Mid-Low/Mid-Low
Inflation Rate	3.0%
Cost-of-Living Adjustments	0.0%
Medical Trend	Initial rate of 7.5%; declining to an ultimate Rate of 4.5% after 12 years

(14) Landfill Closure and Postclosure Care Costs

The City owns and operates a sanitary landfill site located in the southeast portion of the City. The landfill operates on a "cell" basis, and state and federal laws will require the City to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The landfill is recorded within the business type activities of the government-wide financial statements. The estimated total liability is $4,931,777 which represents the total closure and postclosure care cost liability based on the use of approximately 36% of the estimated capacity of the landfill at September 30, 2015. The City will recognize the remaining estimated liability for closure and postclosure care of approximately $13.3 million as the remaining estimated capacity is filled, currently estimated to be approximately 50 years. The estimated cost of closure and postclosure care are subject to changes such as the effects of inflation, revision of laws, and other variables.

By State law, the City will be required to demonstrate financial assurance requirements each March. The City expects that by using a "Bond Rating Indicator of Financial Strength" the financial assurance requirements will be satisfied, and no trust account will be needed to finance closure and postclosure care costs.

(15) Commitments and Contingencies

The City is committed under certain construction contracts for various general government and water utility projects.

The City has been named as a defendant or codefendant in certain personal injury cases and a number of other matters of litigation, which are pending with respect to various matters arising in the normal course of the City's operations. The outcome of these cases is not known at this time; however, City management is of the opinion that their resolution will not have a materially adverse impact on the City's financial position.

The Water and Sanitary Sewer Enterprise Fund is committed by contract to pay a portion of the operating and maintenance expenses for the useful lives of water supply facilities located at Lake Chapman (formerly the Cooper Reservoir). In addition, the City is committed by contract to pay a portion of the operating costs and future debt service of the Trinity River Authority for wastewater treatment.

The City participates in several federal and state grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. To the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2015 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

In April, 1996 the City entered into an agreement with a developer for reimbursement of a portion of the cost of constructing public infrastructure improvements under certain circumstances. The agreed upon total amount of possible reimbursement was $25,701,286 for the construction of a bridge over IH635, extension of the IH635 frontage road and other interior roads and infrastructure on the site to be developed. The annual payments are based on real property ad valorem tax and sales tax generated by the buildings and the merchants on the site in excess of $509,357. Each annual payment is subject to there being at least 550,000 square feet of building improvements with at least two-thirds of the improvements being occupied by merchants and the owners of the 550,000 square feet must not be in bankruptcy. Any portion of the reimbursable amount not paid after the expiration of fifty years will cease to be an obligation of the City. Payments of $22,039,732 have been made from 2002-2014 and the final payment of $1,660,097 was paid in 2015. Under an Amendment to the Agreement entered into in 2004, monthly rebates of sales tax generated by an individual retailer at the site reduce the balance of the reimbursable amount. Payments of $2,004,411 were made for fiscal years 2004-2011 in accordance with this amendment. The agreements entered into in 2004 were terminated on September 1, 2011 in response to State House Bill 590 which requires the State Comptroller to no longer recognize centralized purchasing offices as the "source" for sales tax allocation if the office receives a rebate of local sales or use tax. The outstanding balance of the reimbursable amount at September 30, 2015 is $0.

In November 2004, the City entered into an agreement with a developer for reimbursement of the cost of constructing public infrastructure improvements under certain circumstances. The agreed upon total amount of possible reimbursement was $3,000,000 for the construction of the extension for the westbound Interstate Highway 635 access road to the intersections with Belt Line road and an entrance ramp to IH 635. The agreement was amended in June 2006 to increase the maximum amount of reimbursement to developer to $4,000,000 due to higher than expected costs. The annual payments are based on sales tax generated by the merchants on the site in excess of $1.00 per square foot. As long as less than 400,000 sq. ft. of retail space has been constructed, the City retains 60% of the excess sales tax and developer receives 40% of the excess. Should the square feet of retail construction meet or exceed 400,000, the City will retain 40% of the excess and the developer will receive 60% of the excess sales tax. In additions, for the first $1.00 per square foot of all retail space, for any amount over $.50 per square foot of sales tax revenue, the developer receives an aggregate annual reimbursement of up to $.50 per square foot of retail space. Each annual payment is subject to there being at least 10,000 square feet of building improvements on the property that are at least 85% occupied for the preceding calendar year. Gasoline service stations, convenience food stores and self-storage facilities do not qualify under this agreement. The owner of the building improvements must not be in bankruptcy. Any portion of the reimbursable amount not paid after expiration of fifty years will cease to be an obligation of the City. Payments of $1,151,053 have been made from 2009-2014, and $171,146 was paid in 2014. The outstanding balance of the reimbursable amount at September 30, 2015 was $2,677,801 and is not recorded as a liability since the payment is contingent on the collection of future tax revenues.

The City of Irving and the Texas Department of Transportation (TxDOT) entered into a temporary construction easement agreement for a term of ten years commencing on January 31, 2009. This easement is for the purpose of construction staging on the Texas Stadium site for multiple State highway projects. Total amount received from TxDOT is $15,439,019; total recognized for FY15 is $1,156,104, the remaining balance of $2,639,646 is recorded as deferred revenues and will be prorated over the life of the contract.

The City has also entered into a number of economic incentive agreements with developers and corporations that would require the City to abate or rebate future taxes or refund sales taxes to these developers or corporations.

(16) Excess Expenditures over Appropriations

In the Debt Service Fund, fiscal fees and charges were higher than anticipated ($135,498) due to issuance costs incurred for the 2015 special revenue refunding bonds. These increases were offset by additional revenues and transfers in from the Entertainment Venue Fund. In the General Fund, Non-departmental expenditures were higher than anticipated ($760,344) due to increase compensated absence payouts to terminated employees. This increase was offset by increased budget savings in other departments.

(17) Fund Balance/Net Position Deficit

Funds with deficit fund balances as of September 30, 2015 were the Criminal Justice Fund $6,770, HUD Grants Fund $1,019,531, Emergency Management Fund $17,995, and PID #2 Ranchview Fund $57,135. Grant fund reimbursements were requested as of September 30, 2015 but not received; therefore, the revenues have been deferred. PID #2 Ranchview Capital Project Fund negative fund balance due to commitments being higher than anticipated, and source funding will be determined in the next fiscal year.

(18) Subsequent Events

No material subsequent events were noted.

(19) New Accounting Principles

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68, will be effective September 30, 2016. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes.

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, will be effective September 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and *Disclosures*.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions will be effective September 30, 2016. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments will be effective September 30, 2016. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 77, Tax Abatement Disclosures will be effective September 30, 2017. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans will be effective September 30, 2017. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions.* This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

The City is in the process of evaluating the impact of the implementation of these standards on its financial statements; however, the impact of Statement No. 68 is expected to be significant as they will now reflect a previously unrecorded liability.

* * * *

IRVING
TEXAS

City of Irving, Texas
Required Supplementary Information
Budgetary Comparison Schedule--General Fund
Year ended September 30, 2015

	Budgeted amounts (GAAP basis)			
	Original	Final	Actual amounts	Variance with final budget-- positive (negative)
Revenues:				
Ad valorem taxes	$ 86,109,899	$ 86,109,899	$ 86,146,072	$ 36,173
Sales tax	57,272,869	58,251,126	63,905,905	5,654,779
Franchise fees	20,197,960	20,197,960	19,964,103	(233,857)
Fees and licenses	4,490,761	4,490,761	4,562,239	71,478
Permits and inspections	4,787,319	4,787,319	5,202,512	415,193
Fines, forfeitures, and penalties	7,444,500	7,444,500	6,336,854	(1,107,646)
Charges for services	607,477	607,477	732,018	124,541
Intergovernmental and intragovernmental	7,651,647	7,689,081	7,689,081	-
Investment income	50,576	50,576	78,074	27,498
Miscellaneous	7,954,965	8,691,070	7,253,800	(1,437,270)
Total revenues	196,567,973	198,319,769	201,870,658	3,550,889
Expenditures:				
General government:				
City council	237,326	191,261	155,575	35,686
City secretary's office	887,075	884,532	792,030	92,502
City manager's office	1,226,721	1,391,042	1,343,625	47,417
Financial services department	3,862,101	3,867,267	3,607,874	259,393
Strategic resources	1,979,981	2,310,153	2,055,051	255,102
Nondepartmental	17,397,738	15,736,967	16,497,311	(760,344)
Planning and inspections	3,690,429	3,662,026	3,506,944	155,082
City attorney's office	2,244,677	2,295,186	2,190,070	105,116
Information services	9,958,123	8,894,407	7,789,313	1,105,094
Police	54,241,568	55,995,556	54,685,883	1,309,673
Fire	37,812,224	38,433,513	38,012,482	421,031
Animal services	1,602,740	1,581,422	1,499,602	81,820
Parks and recreation	15,712,414	15,479,273	14,728,749	750,524
Municipal court services	2,926,779	2,877,315	2,667,604	209,711
Library services	6,619,745	6,627,345	6,489,850	137,495
Community development	16,700,123	18,013,192	15,453,539	2,559,653
Public works and transportation	16,828,030	16,925,377	15,533,880	1,391,497
Total expenditures	193,927,794	195,165,834	187,009,382	8,156,452
Excess of revenues over expenditures	2,640,179	3,153,935	14,861,276	11,707,341
Other financing sources (uses):				
Transfers in	160,077	160,077	895,458	735,381
Transfers out	(7,129,111)	(7,544,866)	(7,252,849)	292,017
Total other financing sources	(6,969,034)	(7,384,789)	(6,357,391)	1,027,398
Net change in fund balances	(4,328,855)	(4,230,854)	8,503,885	12,734,739
Fund balances, beginning of year	52,070,085	52,070,085	52,070,085	-
Fund balances, end of year	$ 47,741,230	$ 47,839,231	$ 60,573,970	$ 12,734,739

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Changes in Net Pension Liability and Related Ratios
Last Fiscal Year
(Unaudited)

		2014
Total pension liability		
Service cost	$	2,844,836
Interest		4,259,329
Changes in benefit terms		-
Difference between expected and actual experience		-
Change of assumptions		-
Benefit payments, including refund of employee contributions		(3,086,278)
Net change in total pension liability		4,017,887
Total pension liability - beginning		60,968,277
Total pension liability - ending	$	64,986,164
Contributions - Employer	$	1,358,113
Contributions - Employee		2,262,508
Net investment income		2,711,022
Benefit payments, including refund of employee contributions		(3,086,278)
Administrative expense		(118,500)
Other		-
Net change in plan fiduciary net positions		3,126,865
Plan fiduciary net positon - beginning		47,733,993
Plan fiduciary net position - ending	$	50,860,858
Net pension liability		14,125,306
Plan fiduciary net position as a percentage of total pension liability		78.26%
Covered employee payroll	$	89,179,811
Net pension liability as a percentage of covered employee payroll		15.84%

As of December 31 - Measurement date

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Contributions
Last Fiscal Year
(Unaudited)

	Fiscal year 2015
Actuarially determined contributions	$ 1,376,198
Contributions in relation to the actuarially determined contribution	1,376,198
Contribution deficiency (excess)	-
Covered employee payroll	92,363,058
Contributions as a percentage of covered employee payroll	1.49%

Notes to schedules:
Valuation Date:
Actuarially determined contribution rates are calculated as of January 1st.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuations method	Market value
Inflation	3.00%
Salary increases	3.50%-12.00% including inflation
Investment rate of return	7.00%
Retirement age	Varying rates of retirement as determined by the TMRS experience study
Mortality	The RP-2000 tables for males and females proejcted to year 2003

Other information:
N/A

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund - Schedule of Changes in Net Pension Liability and Related Ratios
Last Fiscal Year
(Unaudited)

		2014
Total pension liability		
Service cost	$	4,699,507
Interest		167,106
Changes in benefit terms		17,745,490
Difference between expected and actual experience		-
Change of assumptions		-
Benefit payments, including refund of employee contributions		(6,823,584)
Net change in total pension liability		15,788,519
Total pension liability - beginning		213,725,584
Total pension liability - ending	$	229,514,103
Contributions - Employer	$	4,006,697
Contributions - Employee		3,200,993
Net investment income		7,328,533
Benefit payments, including refund of employee contributions		(6,823,584)
Administrative expense		(167,106)
Other		-
Net change in plan fiduciary net positions		7,545,533
Plan fiduciary net positon - beginning		171,294,299
Plan fiduciary net position - ending	$	178,839,832
Net pension liability		50,674,271
Plan fiduciary net position as a percentage of total pension liability		77.92%
Covered employee payroll	$	26,674,942
Net pension liability as a percentage of covered employee payroll		189.97%

As of December 31 - Measurement date

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund - Schedule of Contributions
Last Fiscal Year
(Unaudited)

	Fiscal year 2015
Actuarially determined contributions	$ 4,199,033
Contributions in relation to the actuarially determined contribution	4,199,033
Contribution deficiency (excess)	-
Covered employee payroll	26,880,615
Contributions as a percentage of covered employee payroll	15.62%

Notes to schedules:

Valuation Date:

Actuarially determined contribution rates for 2014 were based on the contracted contributions rate.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	97 years (62.6 years under the 15.65% City rate)
Asset valuations method	5 yr smoothed market value with a 20% market value corridor
Inflation	3.00%
Salary increases	3% to 11.30%, including inflation, based on services at attained age.
Investment rate of return	8.25%
Retirement age	Experienced -based table of rates that are specific to the pension fund
Mortality	Employee and healthy annuitant combined rates from RP-2000 Mortality Table, projected to 2015 using Scale AA, with separate rates for males and females
Other information:	There have been no benefit changes since the January 1, 2014 valuation change

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Changes in Net Pension Liability and Related Ratios
Last Fiscal Year
(Unaudited)

		2014
Total pension liability		
Service cost	$	13,088,408
Interest		42,078,112
Changes in benefit terms		39,545,256
Difference between expected and actual experience		(2,994,771)
Change of assumptions		-
Benefit payments, including refund of employee contributions		(26,197,731)
Net change in total pension liability		65,519,274
Total pension liability - beginning		568,125,288
Total pension liability - ending	$	633,644,562
Contributions - Employer	$	10,031,514
Contributions - Employee		6,420,961
Net investment income		33,211,991
Benefit payments, including refund of employee contributions		(26,197,731)
Administrative expense		(346,774)
Other		(28,511)
Net change in plan fiduciary net positions		23,091,450
Plan fiduciary net positon - beginning		580,610,660
Plan fiduciary net position - ending	$	603,702,110
Net pension liability		29,942,452
Plan fiduciary net position as a percentage of total pension liability		95.27%
Covered employee payroll	$	90,741,349
Net pension liability as a percentage of covered employee payroll		33.00%

As of December 31 - Measurement date

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Contributions
Last Fiscal Year
(Unaudited)

	Fiscal year 2015
Actuarially determined contributions	$ 12,319,383
Contributions in relation to the actuarially determined contribution	$ 12,319,383
Contribution deficiency (excess)	-
Covered employee payroll	92,363,058
Contributions as a percentage of covered employee payroll	13.34%

Notes to schedules:

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuations method	10 year smoothed market; 15% soft corridor
Inflation	3%
Salary increases	3.50%-12.00% including inflation
Investment rate of return	7.00%
Retirement age	Experience-based tables of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other information:

Notes	Adopted 30% repeating COLA.

CITY OF IRVING, TEXAS

Required Supplementary Information
Retiree Health Plan
Schedule of Funding Progress
(Unaudited)

Actuarial Valuation Date*	12/31/2007	12/31/2009	12/31/2011	12/31/2013
Actuarial Value of Assets	-	-	-	-
Actuarial Accrued Liability	$ 52,330,932	$ 26,375,713	$ 26,507,441	$ 19,045,783
Percentage Funded	0%	0%	0%	0%
Unfunded Actuarial Accrued Liability (UAAL)	52,330,932	26,375,713	26,507,441	19,045,783
Annual Covered Payroll	98,647,492	116,082,401	105,506,259	113,137,689
UAAL as a Percentage of Covered Payroll	53.05%	22.72%	25.12%	16.83%

* Actuarial study done every two years.

See notes to required supplementary information

(1) Budgets and Budgetary Accounting

Approximately two months prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted in advance of and following the initial preparation of the budget at which comments concerning the budget are heard prior to approval of the budget by the City Council.

The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year to which it applies.

Budget control is exercised at the activity level by department (i.e., City Manager's Office, City Secretary's Office, Financial Services, General Services, etc.). Reported budget amounts are the amounts originally adopted and amended by appropriation ordinances passed by the City Council. All modifications to the adopted budget require City Council ordinance.

An annual budget for the General Fund is adopted on a basis consistent with GAAP. All appropriations lapse at year-end. Additionally, annual budgets are adopted for the Debt Service Fund and Special Revenue Funds on a basis consistent with GAAP. Project length financial plans are adopted for all Capital Project Funds.

(2) Excess Expenditures over Appropriations

The total expenditures for the General Fund were less than the amount budgeted by $8,156,452.

IRVING
TEXAS

CITY OF IRVING, TEXAS

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments. The City's property tax is levied, in part, to finance the debt service agreements of the general obligation bonds. The Debt Service Fund has a legally adopted budget. The following schedule presents the results on a budget (GAAP) and actual basis.

City of Irving, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Debt Service Fund
Year ended September 30, 2015

		Original Budget	Adjusted Budget	Actual	Variance positive (negative)
Revenues:					
General property taxes	$	27,167,568	27,167,568	27,067,551	(100,017)
Interest		54,708	54,708	34,148	(20,560)
Total revenues		27,222,276	27,222,276	27,101,699	(120,577)
Expenditures:					
Principal on general obligation bonds		15,890,000	15,890,000	14,515,000	1,375,000
Principal on special revenue bonds		820,000	820,000	820,000	-
Principal on revenue bonds		160,000	160,000	160,000	-
Interest on general obligation bonds		8,968,334	8,968,334	8,701,250	267,084
Interest on special revenue bonds		11,032,356	11,032,356	11,032,355	1
Interest on revenue bonds		1,344,493	1,344,493	1,344,493	-
Fiscal fees and charges		15,525	15,525	1,789,796	(1,774,271)
Contract payments		1,860,097	1,860,097	1,831,243	28,854
Total expenditures		40,090,805	40,090,805	40,194,137	(103,332)
Deficiency of revenues under expenditures		(12,868,529)	(12,868,529)	(13,092,438)	(223,909)
Other financing sources (uses):					
Discount on bonds issued		-	-	518,646	518,646
Payments to refund escrow		-	-	(10,940,423)	(10,940,423)
Refunding bonds issued		-	-	10,565,000	10,565,000
Transfer in		11,733,072	11,965,338	18,134,255	6,168,917
Transfer out		(1,277,327)	(1,352,327)	-	1,352,327
Total other financing sources		10,455,745	10,613,011	18,277,478	7,664,467
Net change in fund balance		(2,412,784)	(2,255,518)	5,185,040	7,440,558
Fund balances, beginning of year		28,559,818	28,559,818	28,559,818	-
Fund balances, end of year	$	26,147,034	26,304,300	33,744,858	7,440,558

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The City's funds accounted for as Special Revenue Funds are as follows:

Criminal Justice Grant – This fund is used to account for the expenditures of state and federal monies, to provide legal assistance to the City's police department, and to provide a program to reduce juvenile delinquency.

Irving Convention and Visitors Bureau – This fund is used to account for the City's program to attract conventions and tourists to the City. A portion of the City's hotel/motel occupancy tax finances the Bureau's activities.

Irving Arts Center – This fund is used to account for the City's efforts to encourage and develop the arts through grants to various cultural groups and through the accumulation of funds for the future construction of cultural facilities. A portion of the City's hotel/motel occupancy tax finances the Art Center's activities.

Police Narcotics – This fund is used to account for the expenditures from assets acquired through narcotics arrests. The expenditures are restricted to law enforcement activities by state and federal law.

Historical Preservation – This fund is used to account for the City's efforts to preserve and restore historical sites within the City. A portion of the City's hotel/motel occupancy tax finances the fund's activities.

Local Law Enforcement Block Grant – This fund is used to account for the expenditures of state and federal monies used to purchase equipment and materials for use within the Police Department.

Municipal Court Security Fees – This fund is used to account for the collection of fees imposed on fines authorized by the state legislature for technology and security measures utilized in the Court Building.

Texas Highway Safety Grant – This fund is used to account for the expenditures of State monies for the Speed and Occupant Selective Traffic Enforcement Program (STEP) Grants.

Miscellaneous Grant – This fund is used to account for the expenditures of monies for the Department of Health and Human Service, Economic Development Services, and the North Central Texas Council of Governments.

TIF Fund – This fund is used to account for the expenditures incurred in administering the Tax Increment Financing (TIF) program.

Convention Center Complex – This fund is used to account for the Hotel/Motel Tax revenue that has been earmarked for the building maintenance of the Irving Convention Center Complex.

Entertainment Venue – This fund is used to account for the additional two percent Hotel Motel Tax revenue that is being collected to provide funding for an Entertainment Venue as part of the Convention Center complex.

Museum Fund – This fund is used to account for the Hotel/Motel Tax revenue that has been designated for the building and operation of Mustang Museum.

HUD Grants – This fund is used to account for the expenditures resulting from the administration of the federal grants received from the Department of Housing and Urban Development (HUD). The grants included in this fund are the Community Development Block Grant (CDBG), HOME Investment Partnership Grant, and the Emergency Shelter Grant (ESG) and Section 108 Guarantee Loan.

Library Grant Fund - This fund is used to account for the expenditure of monies for the purchase of library materials and equipment.

Miscellaneous Fund – This fund is used to account for the receipt of non-governmental donations and associated expenditures. Currently, this fund is used by the Irving Municipal Court, Irving Fire Department, Housing and Human Services, and Animal Services.

Emergency Management Grants - This fund is used to account for the expenditure of monies awarded by the Department of Homeland Security to improve the City's ability to prevent, respond to, and recover from acts of terrorism and natural disasters.

Red Light Camera Enforcement – This fund accounts for all revenues and expenditures associated with Red Light Camera traffic enforcement.

Irving Housing Finance Corporation- This fund is used to record expenditures resulting from the purchases of real estate for rehabilitation/ new construction and homebuyer assistance to the citizens of Irving.

PEG Fees Fund-This fund is used to record the surcharge from cable fees and is designated to fund capital related expenditures for Irving Community Television Network (ICTN).

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Special Revenue Funds).

Storm Sewer – This fund is used to account for the financing and construction of improvements to and the extension of the City's storm sewer system. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Park Improvement – This fund is used to account for the financing of improvements to and enlargements of the City's parks. These improvements and enlargements are funded by general obligation bond proceeds and interest on investments.

Fire Station – This fund is used to account for the financing of the construction and renovation of fire stations and the acquisition of firefighting equipment. General obligation bond proceeds and interest on investments are the sources of financing of the building renovation and equipment purchases.

Library – This fund is used to account for the financing, construction, and furnishing of a library facility with the proceeds of general obligation bonds and interest on investments.

Criminal Justice – This fund is used to account for the financing and construction of police and court-related facilities. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Landfill – This fund is used to account for the financing of improvements to the sanitary landfill. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

City Buildings Improvement – This fund is used to account for the financing of improvements and remodeling of various City buildings. The proceeds of general obligation bonds and interest on investments are used to finance the improvements

DART – This fund is used to account for the construction of improvements to and the extension of the City's streets, which are part of the DART transportation routes. The construction is financed from sales tax proceeds remitted to the City through DART and interest on investments.

Radio Communication Systems – This fund is used to account for the purchase of a citywide radio communications system. The proceeds of general obligation bonds and interest on investments are used to finance the purchase.

Non-bond CIP – This fund is used to account for the purchases and construction of miscellaneous capital projects that are not required either legally or contractually to be accounted for in an individual fund. These projects are being funded through a transfer from the General Fund and interest on investments.

Street Improvement Fund – This fund was established to account for construction of the City's street infrastructure. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

Convention Center- This fund is used to account for the construction of the new Irving Convention and Visitor's Bureau. The construction is financed primarily by the proceeds of special revenue bonds, interest on investments, and Hotel Occupancy Taxes.

Entertainment Venue – This fund was established to account for the construction of the City's proposed Entertainment Venue. The proceeds of special revenue bonds, interest on investments, and Hotel Occupancy Taxes are used to finance the proceeds.

Texas Stadium Venue Project – This fund was established to account for 10% admissions tax and a tax on parking fees (under a state statue referred to as the Brimer bill) over the remaining football seasons. These funds will assist the City in assuming responsibility for the venue site and facilities and will be applied to fund a range of capital project authorized under that statute.

Veteran's Memorial Park – This fund is used to account for the continued construction of the Veteran's Memorial at its existing location from General Obligation Bonds and interest on investments.

Animal Shelter Fund – This fund is used to account for the finance and purchase of land to build a new animal shelter. The new facility will be a joint project housing the City Animal Services operation and the DFW Human Society.

Infrastructure – This fund is used to account for capital improvement program items funded through the use of Certificates of Obligation.

Gateway Development – This fund is used to account for capital improvements associated with private developments. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

PID #1 Bridges – This fund is used to account for capital improvements associated within the Bridges of Las Colinas Public Improvement District. The Proceeds of the Combination Tax and Revenue Certificates of Obligation are used to finance this project.

PID #2 Ranchview – This fund is used to account for capital improvements associated within the Ranchview Public Improvement District. The Proceeds of the Combination Tax and Revenue Certificates of Obligation are used to finance this project.

PID #3 Parkside – This fund is used to account for capital improvements associated within the Parkside Public Improvement District. The Proceeds of the Combination Tax and Revenue Certificates of Obligation are used to finance this project.

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

		Special Revenue Funds				
		Criminal Justice Grant	Irving Convention and Visitors Bureau	Irving Arts Center	Police Narcotics	Historical Preservation
Assets						
Cash and cash equivalents	$	-	5,267,526	4,071,238	2,096,307	205,035
Investments		-	-	-	-	-
Receivables (net of allowance for doubtful accounts):						
Taxes		-	1,909,010	904,979	-	33,491
Accrued interest		-	435	200	-	-
Accounts receivable		-	-	46,184	-	-
Real estate held for resale		-	-	-	-	-
Due from other funds		-	-	-	-	-
Due from other governments		12,045	-	-	145	-
Other Assets		-	126,347	2,065	4,900	-
Total assets	$	12,045	7,303,318	5,024,666	2,101,352	238,526
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$	-	375,499	101,281	75,298	9,113
Accrued wages and benefits		12,678	241,241	92,937	3,118	-
Due to other funds		2,637	78,913	64,067	-	1,340
Retainage payable		-	-	-	-	-
Sundry payables		-	-	24,307	421,567	-
Unearned revenue		3,500	-	-	-	-
Total liabilities		18,815	695,653	282,592	499,983	10,453
Fund balances:						
Restricted						
Police		-	-	-	1,601,369	-
Parks and recreation		-	-	-	-	-
Community development		-	6,607,665	4,742,074	-	228,073
Public works		-	-	-	-	-
Other purposes		-	-	-	-	-
Assigned						
Parks and recreation		-	-	-	-	-
Publc works		-	-	-	-	-
Unassigned		(6,770)	-	-	-	-
Total fund balances		(6,770)	6,607,665	4,742,074	1,601,369	228,073
Total liabilities and fund balances	$	12,045	7,303,318	5,024,666	2,101,352	238,526

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015
(Continued)

Special Revenue Funds					
Local Law Enforcement Block Grant	Municipal Court Security Fees	Texas Highway Safety Grant	Misc Grant	TIF Fund	Convention Center Complex
27,837	975,498	-	580,113	27,119,236	25
-	-	-	-	-	-
-	-	-	-	-	1,757,588
-	-	-	187	1,845	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	51,838	1,085	-	-
-	-	-	-	-	-
27,837	975,498	51,838	581,385	27,121,081	1,757,613
-	12,829	278	9,260	105,272	-
-	-	22,953	-	-	-
-	-	28,607	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,837	-	-	258,664	-	-
27,837	12,829	51,838	267,924	105,272	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	27,015,809	1,757,613
-	-	-	-	-	-
-	962,669	-	313,461	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	962,669	-	313,461	27,015,809	1,757,613
27,837	975,498	51,838	581,385	27,121,081	1,757,613

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015
(Continued)

	Special Revenue Funds				
	Entertainment Venue	Museum Fund	HUD Grants	Library Grant Fund	Misc. Special Revenue
Assets					
Cash and cash equivalents	$ 8,525,015	3,284,654	15,520	51,013	233,415
Investments	-	-	-	-	-
Receivables (net of allowance for doubtful accounts):					
Taxes	1,339,656	83,729	-	-	-
Accrued interest	404	-	-	-	-
Accounts receivable	-	-	-	-	4,582
Real estate held for resale	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	1,196,887	-	-
Other Assets	-	100	-	-	-
Total assets	9,865,075	3,368,483	1,212,407	51,013	237,997
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	-	19,777	40,418	1,598	471
Accrued wages and benefits	-	7,890	62,246	-	-
Due to other funds	-	3,349	1,075,387	-	-
Retainage payable	-	-	-	-	-
Sundry payables	-	-	-	-	-
Deferred revenue	-	-	1,053,887	-	32,375
Total liabilities	-	31,016	2,231,938	1,598	32,846
Fund balances:					
Restricted					
Police	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	9,865,075	3,337,467	-	-	-
Public works	-	-	-	-	-
Other purposes	-	-	-	49,415	205,151
Assigned					
Parks and recreation	-	-	-	-	-
Publc works	-	-	-	-	-
Unassigned	-	-	(1,019,531)	-	-
Total fund balances	9,865,075	3,337,467	(1,019,531)	49,415	205,151
Total liabilities and fund balances	9,865,075	3,368,483	1,212,407	51,013	237,997

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015
(Continued)

Special Revenue Funds				
Emergency Management Grants	Red Light Camera Enforcement	Irving Housing Finance Corp	PEG Fees Fund	Total nonmajor special revenue funds
-	1,801,635	180,740	171,166	54,605,973
-	-	-	-	-
-	-	-	101,556	6,130,009
-	-	-	-	3,071
-	214,205	-	-	264,971
-	-	155,720	-	155,720
-	-	-	-	-
93,496	-	-	-	1,355,496
-	-	-	-	133,412
93,496	2,015,840	336,460	272,722	62,648,652
-	514,725	-	74	1,265,893
8,337	6,670	-	-	458,070
85,904	-	-	-	1,340,204
-	-	-	-	-
-	-	-	-	445,874
17,250	-	-	-	1,393,513
111,491	521,395	-	74	4,903,554
-	-	-	-	1,601,369
-	-	-	-	-
-	-	336,460	272,648	54,162,884
-	1,494,445	-	-	1,494,445
-	-	-	-	1,530,696
				-
-	-	-	-	-
-	-	-	-	-
(17,995)	-	-	-	(1,044,296)
(17,995)	1,494,445	336,460	272,648	57,745,098
93,496	2,015,840	336,460	272,722	62,648,652

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	Capital Project Funds				
	Storm Sewer	**Park Improve-ment**	**Fire Station**	**Library**	**Criminal Justice**
Assets					
Cash and cash equivalents	$ 2,139,702	2,376,881	2,818,557	193	497,260
Investments	4,996,964	999,538	999,019	-	-
Receivables (net of allowance for doubtful accounts):					
Taxes	-	-	-	-	-
Accrued interest	1,561	296	534	-	-
Accounts receivable	-	-	-	-	-
Real estate held for resale	-	-	-	-	-
Due from other governments	-	-	-	-	-
Other Assets	-	-	-	-	-
Total assets	$ 7,138,227	3,376,715	3,818,110	193	497,260
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 380,724	98,390	20,750	-	27,912
Accrued wages and benefits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Retainage payable	32,405	20,752	-	-	-
Sundry payables	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	413,129	119,142	20,750	-	27,912
Fund balances:					
Restricted for:					
Police	-	-	-	-	-
Parks and recreation	-	3,257,573	-	-	-
Community development	-	-	-	-	-
Publc works	6,725,098	-	-	-	-
Other purposes	-	-	3,797,360	193	469,348
Assigned to:					
Parks and recreation	-	-	-	-	-
Publc works	-	-	-	-	-
Other capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	6,725,098	3,257,573	3,797,360	193	469,348
Total liabilities and fund balances	$ 7,138,227	3,376,715	3,818,110	193	497,260

City of Irving, Texas

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015
(Continued)

Capital Project Funds					
Landfill	City Buildings Improvement	DART	Radio Communication Systems	Non-bond CIP	Street Improvement
1,352,749	880,072	421,491	1,446,877	2,863,908	2,095,701
-	999,019	-	-	-	3,994,336
-	-	-	-	-	-
71	330	-	82	123	2,233
-	-	-	-	-	538,781
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,352,820	1,879,421	421,491	1,446,959	2,864,031	6,631,051
32,070	42,880	-	-	248,406	300,200
-	-	-	-	-	-
-	-	-	-	-	-
13,860	-	-	-	119,581	61,850
-	-	-	-	-	-
-	-	-	-	-	-
45,930	42,880	-	-	367,987	362,050
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	421,491	-	-	6,269,001
1,306,890	1,836,541	-	1,446,959	-	-
-	-	-	-	648,971	-
-	-	-	-	1,023,378	-
-	-	-	-	823,695	-
-	-	-	-	-	-
1,306,890	1,836,541	421,491	1,446,959	2,496,044	6,269,001
1,352,820	1,879,421	421,491	1,446,959	2,864,031	6,631,051

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015
(Continued)

		Capital Project Funds				
		Convention Center	Entertainment Venue	Texas Stadium Venue Project	Veterans Memorial Park	Animal Shelter
Assets						
Cash and cash equivalents	$	-	11,841,989	1,984,090	25,776	1,024
Investments		-	19,978,441	9,475,085	-	-
Receivables (net of allowance for doubtful accounts):						
Taxes		-	-	-	-	-
Accrued interest		-	2,028	9,781	-	-
Accounts receivable		-	-	-	-	-
Real estate held for resale		-	-	-	-	-
Due from other governments		-	-	-	-	-
Other Assets		-	-	-	-	-
Total assets		-	31,822,458	11,468,956	25,776	1,024
Liabilities and Fund Balances						
Liabilities:						
Accounts payable		-	27,251	10,882	-	-
Accrued wages and benefits		-	-	-	-	-
Due to other funds		-	-	-	-	-
Retainage payable		-	-	-	-	-
Sundry payables		-	-	-	-	-
Deferred revenue		-	-	-	-	-
Total liabilities		-	27,251	10,882	-	-
Fund balances:						
Restricted for:						
Police		-	-	-	-	-
Parks and recreation		-	-	-	-	-
Community development		-	31,795,207	11,458,074	-	-
Publc works		-	-	-	-	-
Other purposes		-	-	-	25,776	1,024
Assigned to:						
Parks and recreation		-	-	-	-	-
Publc works		-	-	-	-	-
Other capital projects		-	-	-	-	-
Unassigned		-	-	-	-	-
Total fund balances		-	31,795,207	11,458,074	25,776	1,024
Total liabilities and fund balances		-	31,822,458	11,468,956	25,776	1,024

City of Irving, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015
(Continued)

Capital Project Funds						
Infrastructure Fund	Gateway Development	PID #1 Bridges	PID #2 Ranchview	PID #3 Parkside	Total nonmajor capital project funds	Total Nonmajor Governmental Funds
31,053	862,447	33,876	-	3,870,131	35,543,777	$ 90,149,750
-	2,997,961	-	-	-	44,440,363	44,440,363
-	-	-	-	-	-	6,130,009
-	1,389	-	-	288	18,716	21,787
-	-	-	-	-	538,781	803,752
-	-	-	-	-	-	155,720
-	-	-	-	-	-	1,355,496
-	-	-	-	-	-	133,412
31,053	3,861,797	33,876	-	3,870,419	80,541,637	143,190,289
20,850	-	-	-	191,820	1,402,135	2,668,028
-	-	-	-	-	-	458,070
-	-	-	57,135	-	57,135	1,397,339
-	-	-	-	-	248,448	248,448
-	-	-	-	-	-	445,874
-	-	-	-	-	-	1,393,513
20,850	-	-	57,135	191,820	1,707,718	6,611,272
-	-	-	-	-	-	1,601,369
-	-	-	-	-	3,257,573	3,257,573
-	-	-	-	-	43,253,281	97,416,165
10,203	3,861,797	33,876		3,678,599	21,000,065	22,494,510
-	-	-	-	-	8,884,091	10,414,787
-	-	-	-	-	648,971	648,971
-	-	-	-	-	1,023,378	1,023,378
-	-	-	-	-	823,695	823,695
-	-	-	(57,135)	-	(57,135)	(1,101,431)
10,203	3,861,797	33,876	(57,135)	3,678,599	78,833,919	136,579,017
31,053	3,861,797	33,876	-	3,870,419	80,541,637	$ 143,190,289

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Special Revenue Funds				
	Criminal Justice Grant	**Irving Convention and Vistors Bureau**	**Irving Arts Center**	**Police Narcotics**	**Historical Preservation**
Revenues:					
Taxes	$ -	7,668,601	4,425,275	-	134,537
Fines, forfeitures, and penalties	-	-	-	-	-
Charges for services	-	-	558,271	110,842	-
Intergovernmental	131,959	-	-	161,600	-
Investment income	-	2,977	2,059	-	-
Miscellaneous	-	127,920	195,388	3,250	-
Total revenues	131,959	7,799,498	5,180,993	275,692	134,537
Expenditures:					
Current:					
General government	-	-	-	-	-
Police	186,705	-	-	208,561	-
Parks	-	-	-	-	-
Animal services	-	-	-	-	-
Municipal court	-	-	-	-	-
Library	-	-	-	-	-
Community development	-	7,576,213	5,065,326	-	71,974
Drainage utilities	-	-	-	-	-
Public works	-	-	-	-	-
Debt Service					
Principal on Loan	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	186,705	7,576,213	5,065,326	208,561	71,974
Excess (deficiency) of revenues over (under) expenditures	(54,746)	223,285	115,667	67,131	62,563
Other financing sources (uses):					
Proceeds of general obligation and certificate of obligation bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	53,407	-	-	-	-
Transfers out	-	-	(90,610)	-	-
Total other financing sources (uses)	53,407	-	(90,610)	-	-
Net change in fund balances	(1,339)	223,285	25,057	67,131	62,563
Fund balances, beginning of year	(5,431)	6,384,380	4,717,017	1,534,238	165,510
Fund balances, end of year	$ (6,770)	6,607,665	4,742,074	1,601,369	228,073

City of Irving, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015
(Continued)

Special Revenue Funds					
Local Law Enforcement Block Grant	**Municipal Court Security Fees**	**Texas Highway Safety Grant**	**Misc Grant**	**TIF Fund**	**Convention Center Complex**
-	-	-	-	-	6,270,406
-	427,788	-	-	-	-
-	-	-	-	-	-
10,623	-	191,934	202,660	7,667,396	-
-	67	-	-	11,453	485
-	31,204	-	3,818	-	-
10,623	459,059	191,934	206,478	7,678,849	6,270,891
-	-	-	-	-	-
10,623	-	215,389	20,164	-	-
-	-	-	48,725	-	-
-	-	-	-	-	-
-	216,245	-	1,933	-	-
-	-	-	-	-	-
-	-	-	91,914	953,162	4,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,623	216,245	215,389	162,736	953,162	4,500
-	242,814	(23,455)	43,742	6,725,687	6,266,391
-	-	-	-	-	-
-	-	-	-	-	-
-	-	44,091	-	5,288,247	-
-	-	-	-	(1,064,502)	(11,699,295)
-	-	44,091	-	4,223,745	(11,699,295)
-	242,814	20,636	43,742	10,949,432	(5,432,904)
-	719,855	(20,636)	269,719	16,066,377	7,190,517
-	962,669	-	313,461	27,015,809	1,757,613

City of Irving, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015
(Continued)

	Special Revenue Funds				
	Entertainment Venue	**Museum Fund**	**HUD Grants Fund**	**Library Grant Fund**	**Misc. Special Revenue**
Revenues:					
Taxes	$ 5,381,475	336,342		-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Charges for services	-	3,167	-	-	-
Intergovernmental	-	-	4,115,332	70,007	-
Investment income	3,090	86	-	-	-
Miscellaneous	-	6,476	82,322	90,205	195,525
Total revenues	5,384,565	346,071	4,197,654	160,212	195,525
Expenditures:					
Current:					
General government	-	-	-	-	50,023
Police	-	-	-	-	-
Parks	-	-	-	-	46,694
Animal Services	-	-	-	-	33,370
Municipal court	-	-	-	-	-
Library	-	-	-	157,281	-
Community development	476,094	214,745	3,365,089	-	-
Drainage utilities	-	-	-	-	-
Public works	-	-	-	-	-
Debt Service	-				
Principal on Loan	-	-	615,000	-	-
Interest and other charges	-	-	31,304	-	-
Total expenditures	476,094	214,745	4,011,393	157,281	130,087
Excess (deficiency) of revenues over (under) expenditures	4,908,471	131,326	186,261	2,931	65,438
Other financing sources (uses):					
Proceeds of general obligation and certificate of obligation bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(4,075,477)	-	(61,163)	-	-
Total other financing sources (uses)	(4,075,477)	-	(61,163)	-	-
Net change in fund balances	832,994	131,326	125,098	2,931	65,438
Fund balances, beginning of year	9,032,081	3,206,141	(1,144,629)	46,484	139,713
Fund balances, end of year	9,865,075	3,337,467	(1,019,531)	49,415	205,151

City of Irving, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015
(Continued)

Special Revenue Funds				
Emergency Management Grant	**Red Light Camera Enforcement**	**Irving Housing Finance Corp**	**PEG Fees Fund**	**Total nonmajor special revenue funds**
-	-	-	400,059	24,616,695
-	1,730,687	-	-	2,158,475
-	-	-	-	672,280
263,206	-	-	-	12,814,717
-	-	-	-	20,217
-	-	-	-	736,108
263,206	1,730,687	-	400,059	41,018,492
-	-	-	-	50,023
260,996	-	-	-	902,438
-	-	-	-	95,419
-	-	-	-	33,370
-	-	-	-	218,178
-	-	-	-	157,281
-	-	244,141	314,214	18,377,372
-	-	-	-	-
-	1,333,529	-	-	1,333,529
			-	
-	-	-	-	615,000
-	-	-	-	31,304
260,996	1,333,529	244,141	314,214	21,813,914
2,210	397,158	(244,141)	85,845	19,204,578
-	-	-	-	-
-	-	-	-	-
-	-	-	-	5,385,745
-	(534,155)	-	-	(17,525,202)
-	(534,155)	-	-	(12,139,457)
2,210	(136,997)	(244,141)	85,845	7,065,121
(20,205)	1,631,442	580,601	186,803	50,679,977
(17,995)	1,494,445	336,460	272,648	57,745,098

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Capital Projects Funds				
	Storm Sewer	**Park Improvement**	**Fire Station**	**Library**	**Criminal Justice**
Revenues:					
Taxes	$ -	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	7,219	1,681	1,072	442	109
Miscellaneous	-	-	-	-	-
Total revenues	7,219	1,681	1,072	442	109
Expenditures:					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Parks	-	-	-	-	-
Animal services	-	-	-	-	-
Municipal court	-	-	-	-	-
Library	-	-	-	-	-
Community development	-	-	-	-	-
Public works	-	-	-	-	-
Debt Service					
Principal on Loan	-	-	-	-	-
Interest and other charges	-	25,194	64,804	-	7,208
Capital outlay	1,017,948	1,330,154	1,494,069	2,605,984	314,272
Total expenditures	1,017,948	1,355,348	1,558,873	2,605,984	321,480
Excess (deficiency) of revenues over (under) expenditures	(1,010,729)	(1,353,667)	(1,557,801)	(2,605,542)	(321,371)
Other financing sources (uses):					
Proceeds of general obligation and certificate of obligation bonds	-	1,757,520	4,520,732	-	502,846
Premium (discount) on bonds issued	-	16,011	41,183	-	4,581
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	1,773,531	4,561,915	-	507,427
Net change in fund balances	(1,010,729)	419,864	3,004,114	(2,605,542)	186,056
Fund balances, beginning of year	7,735,827	2,837,709	793,246	2,605,735	283,292
Fund balances, end of year	$ 6,725,098	3,257,573	3,797,360	193	469,348

City of Irving, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015
(Continued)

Capital Projects Funds					
Landfill	City Buildings Improve-ment	DART	Radio Communi-cation Systems	Non-bond CIP	Street Improvement
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	300	-
-	-	-	-	-	-
216	2,866	870	472	5,959	8,685
-	-	-	-	1,756,687	-
216	2,866	870	472	1,762,946	8,685
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,873	190	-	10,794	-	46,083
400,853	1,314,060	1,041,764	44,970	8,199,546	8,308,673
421,726	1,314,250	1,041,764	55,764	8,199,546	8,354,756
(421,510)	(1,311,384)	(1,040,894)	(55,292)	(6,436,600)	(8,346,071)
1,456,056	-	-	753,049	-	3,214,797
13,264	-	-	6,860	-	29,286
-	-	-	-	862,611	-
-	-	-	-	-	-
1,469,320	-	-	759,909	862,611	3,244,083
1,047,810	(1,311,384)	(1,040,894)	704,617	(5,573,989)	(5,101,988)
259,080	3,147,925	1,462,385	742,342	8,070,033	11,370,989
1,306,890	1,836,541	421,491	1,446,959	2,496,044	6,269,001

City of Irving, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015
(Continued)

	Capital Projects Funds				
	Convention Center	**Entertainment Venue**	**Texas Stadium Venue Project**	**Veterans Memorial Park**	**Animal Shelter**
Revenues:	$				
Taxes	-	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	-	27,940	18,365	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	27,940	18,365	-	-
Expenditures:					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Parks	-	-	-	-	-
Animal services	-	-	-	-	-
Municipal court	-	-	-	-	-
Library	-	-	-	-	-
Community development	-	-	-	-	-
Public works	-	-	-	-	-
Debt Service					
Principal on Loan	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	3,729,282	10,882	87,291	33,667
Total expenditures	-	3,729,282	10,882	87,291	33,667
Excess (deficiency) of revenues over (under) expenditures	-	(3,701,342)	7,483	(87,291)	(33,667)
Other financing sources (uses):					
Proceeds of general obligation and certificate of obligation bonds	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(18)	-	-	-	-
Total other financing sources (uses)	(18)	-	-	-	-
Net change in fund balances	(18)	(3,701,342)	7,483	(87,291)	(33,667)
Fund balances, beginning of year	18	35,496,549	11,450,591	113,067	34,691
Fund balances, end of year	-	31,795,207	11,458,074	25,776	1,024

City of Irving, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015
(Continued)

Capital Projects Funds						
Infrastructure Fund	**Gateway Development**	**PID #1 Bridges**	**PID #2 Ranchview**	**PID #3 Parkside**	**Total Capital Projects**	**Total Nonmajor Governmental Funds**
-	-	-	-	-	-	24,616,695
-	-	-	-	-	-	2,158,475
-	-	-	-	-	300	672,580
-	-	-	-	-	-	12,814,717
-	4,223	-	46	5,522	85,687	105,904
-	-	-	-	-	1,756,687	2,492,795
-	4,223	-	46	5,522	1,842,674	42,861,166
-	-	-	-	-	-	50,023
-	-	-	-	-	-	902,438
-	-	-	-	-	-	95,419
-	-	-	-	-	-	33,370
-	-	-	-	-	-	218,178
-	-	-	-	-	-	157,281
-	-	-	-	-	-	18,377,372
-	-	-	-	-	-	1,333,529
-	-	-	-	-	-	615,000
-	-	-	-	-	175,146	206,450
48,097	877,499	-	423,457	10,563,931	41,846,399	41,846,399
48,097	877,499	-	423,457	10,563,931	42,021,545	63,835,459
(48,097)	(873,276)	-	(423,411)	(10,558,409)	(40,178,871)	(20,974,293)
-	-	-	-	-	12,205,000	12,205,000
-	-	-	-	-	111,185	111,185
-	-	-	-	-	862,611	6,248,356
-	-	-	-	-	(18)	(17,525,220)
-	-	-	-	-	13,178,778	1,039,321
(48,097)	(873,276)	-	(423,411)	(10,558,409)	(27,000,093)	(19,934,972)
58,300	4,735,073	33,876	366,276	14,237,008	105,834,012	156,513,989
10,203	3,861,797	33,876	(57,135)	3,678,599	78,833,919	136,579,017

(Concluded)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Criminal Justice Grant Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	130,876	131,959	1,083
Total revenues		130,876	131,959	1,083
Expenditures:				
Police		172,470	186,705	(14,235)
Total expenditures		172,470	186,705	(14,235)
Deficiency of revenues under expenditures		(41,594)	(54,746)	(13,152)
Other financing sources:				
Transfers in		41,602	53,407	11,805
Total other financing sources:		41,602	53,407	11,805
Net change in fund balances		8	(1,339)	(1,347)
Fund balances, beginning of year		(5,431)	(5,431)	-
Fund balances, end of year	$	(5,423)	(6,770)	(1,347)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Irving Convention and Visitors Bureau Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	6,777,997	7,668,601	890,604
Investment income		3,503	2,977	(526)
Miscellaneous		65,000	127,920	62,920
Total revenues		6,846,500	7,799,498	952,998
Expenditures:				
Community Development:		8,796,599	7,576,213	1,220,386
Total expenditures		8,796,599	7,576,213	1,220,386
Excess (deficiency) of revenues over (under) expenditures		(1,950,099)	223,285	2,173,384
Net change in fund balances		(1,950,099)	223,285	2,173,384
Fund balances, beginning of year		6,384,380	6,384,380	-
Fund balances, end of year	$	4,434,281	6,607,665	2,173,384

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Irving Arts Center Fund

Year ended September 30, 2015

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 4,069,033	4,425,275	356,242
Charges for services	717,936	558,271	(159,665)
Investment income	976	2,059	1,083
Miscellaneous	161,059	195,388	34,329
Total revenues	4,949,004	5,180,993	231,989
Expenditures:			
Community Development:	6,225,779	5,065,326	1,160,453
Total expenditures	6,225,779	5,065,326	1,160,453
Excess (deficiency) of revenues over (under) expenditures	(1,276,775)	115,667	1,392,442
Other financing uses:			
Transfers out	(94,385)	(90,610)	3,775
Total other financing uses	(94,385)	(90,610)	3,775
Net change in fund balances	(1,371,160)	25,057	1,396,217
Fund balances, beginning of year	4,717,017	4,717,017	-
Fund balances, end of year	$ 3,345,857	4,742,074	1,396,217

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Police Narcotics Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Charges for services	$	55,000	110,842	55,842
Intergovernmental		150,000	161,600	11,600
Investment income		300	-	(300)
Miscellaneous		30,000	3,250	(26,750)
Total revenues		235,300	275,692	40,392
Expenditures:				
Police		491,412	208,561	282,851
Total expenditures		491,412	208,561	282,851
Excess (deficiency) of revenues over (under) expenditures		(256,112)	67,131	323,243
Net change in fund balances		(256,112)	67,131	323,243
Fund balances, beginning of year		1,534,238	1,534,238	-
Fund balances, end of year	$	1,278,126	1,601,369	323,243

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Historical Preservation

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	118,912	134,537	15,625
Total revenues		118,912	134,537	15,625
Expenditures:				
Community development		85,467	71,974	13,493
Total expenditures		85,467	71,974	13,493
Excess of revenues over expenditures		33,445	62,563	29,118
Net change in fund balances		33,445	62,563	29,118
Fund balances, beginning of year		165,510	165,510	-
Fund balances, end of year	$	198,955	228,073	29,118

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Local Law Enforcement Block Grant Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	61,462	10,623	(50,839)
Total revenues		61,462	10,623	(50,839)
Expenditures:				
Police		61,462	10,623	50,839
Total expenditures		61,462	10,623	50,839
Net change in fund balances		-	-	-
Fund balances, beginning of year		-	-	-
Fund balances, end of year	$	-	-	-

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Municipal Court Security Fees Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Fines	$	481,000	427,788	(53,212)
Miscellaneous		-	31,204	31,204
Investment income		-	67	67
Total revenues		481,000	459,059	(21,941)
Expenditures:				
Municipal court		683,198	216,245	466,953
Total expenditures		683,198	216,245	466,953
Excess (deficiency) of revenues over (under) expenditures		(202,198)	242,814	445,012
Other financing uses:				
Transfers out		137,000	-	137,000
Total other financing uses:		137,000	-	137,000
Net change in fund balances		(65,198)	242,814	582,012
Fund balances, beginning of year		719,855	719,855	-
Fund balances, end of year	$	654,657	962,669	582,012

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Texas Highway Safety Grant Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	196,113	191,934	(4,179)
Total revenues		196,113	191,934	(4,179)
Expenditures:				
Police		249,257	215,389	33,868
Total expenditures		249,257	215,389	33,868
Deficiency of revenues under expenditures		(53,144)	(23,455)	29,689
Other financing sources:				
Transfers in		53,144	44,091	(9,053)
Total other financing sources:		53,144	44,091	(9,053)
Net change in fund balances		-	20,636	20,636
Fund balances, beginning of year		(20,636)	(20,636)	-
Fund balances, end of year	$	(20,636)	-	(20,636)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Miscellaneous Grant Fund

Year ended September 30, 2015

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 600,575	202,660	(397,915)
Miscellaneous grant revenue	439,301	3,818	(435,483)
Total revenues	1,039,876	206,478	(833,398)
Expenditures:			
General government	578,617	20,164	558,453
Police	233,467	48,725	184,742
Fire	784,852	91,914	692,938
Parks	10,110	1,933	8,177
Community development	64,869	-	64,869
Total expenditures	1,671,915	162,736	1,509,179
Excess (deficiency) of revenues over (under) expenditures	(632,039)	43,742	675,781
Net change in fund balances	(632,039)	43,742	675,781
Fund balances, beginning of year	269,719	269,719	-
Fund balances, end of year	$ (362,320)	313,461	675,781

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – TIF Fund

Year ended September 30, 2015

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 490,302	490,910	608
Intergovernmental	6,476,976	7,176,486	699,510
Investment income	6,000	11,453	5,453
Total revenues	6,973,278	7,678,849	705,571
Expenditures:			
Community development	1,914,460	953,162	961,298
Total expenditures	1,914,460	953,162	961,298
Excess of revenues over expenditures	5,058,818	6,725,687	1,666,869
Other financing sources (uses):			
Transfers in	5,578,668	5,288,247	(290,421)
Transfers out	(1,079,853)	(1,064,502)	15,351
Total other financing sources (uses)	4,498,815	4,223,745	(275,070)
Net change in fund balances	9,557,633	10,949,432	1,391,799
Fund balances, beginning of year	16,066,377	16,066,377	-
Fund balances, end of year	$ 25,624,010	27,015,809	1,391,799

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Convention Center Complex Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	5,384,489	6,270,406	885,917
Investment income		2,000	485	(1,515)
Total revenues		5,386,489	6,270,891	884,402
Expenditures:				
Community development		4,500	4,500	-
Total expenditures		4,500	4,500	-
Excess of revenues over expenditures		5,381,989	6,266,391	884,402
Other financing uses:				
Transfers out		(5,384,489)	(11,699,295)	(6,314,806)
Total other financings uses		(5,384,489)	(11,699,295)	(6,314,806)
Net change in fund balances		(2,500)	(5,432,904)	(5,430,404)
Fund balances, beginning of year		7,190,517	7,190,517	-
Fund balances, end of year	$	7,188,017	1,757,613	(5,430,404)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Entertainment Venue

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	4,756,489	5,381,475	624,986
Investment income		1,128	3,090	1,962
Total revenues		4,757,617	5,384,565	626,948
Expenditures:				
Community development		2,252,954	476,094	1,776,860
Total expenditures		2,252,954	476,094	1,776,860
Excess of revenues over expenditures		2,504,663	4,908,471	2,403,808
Other financing uses:				
Transfers in		-	-	-
Transfers out		(4,307,719)	(4,075,477)	232,242
Total other financing uses:		(4,307,719)	(4,075,477)	232,242
Net change in fund balances		(1,803,056)	832,994	2,636,050
Fund balances, beginning of year		9,032,081	9,032,081	-
Fund balances, end of year	$	7,229,025	9,865,075	2,636,050

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Museum Fund

Year ended September 30, 2015

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 297,751	336,342	38,591
Charges for services	7,000	3,167	(3,833)
Investment income	500	86	(414)
Miscellaneous	5,400	6,476	1,076
Total revenues	310,651	346,071	35,420
Expenditures:			
Community development	1,194,719	214,745	979,974
Total expenditures	1,194,719	214,745	979,974
Excess (deficiency) of revenues over (under) expenditures	(884,068)	131,326	1,015,394
Net change in fund balances	(884,068)	131,326	1,015,394
Fund balances, beginning of year	3,206,141	3,206,141	-
Fund balances, end of year	$ 2,322,073	3,337,467	1,015,394

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – HUD Grants Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	9,540,990	4,115,332	(5,425,658)
Miscellaneous:				
Program income		120,841	82,322	(38,519)
Total revenues		9,661,831	4,197,654	(5,464,177)
Expenditures:				
Community development		9,112,176	3,365,089	5,747,087
Principal on section 108 loan		615,000	615,000	-
Interest on section 108 loan		31,304	31,304	-
Total expenditures		9,758,480	4,011,393	5,747,087
Excess (deficiency) of revenues over (under) expenditures		(96,649)	186,261	282,910
Other financing uses:				
Transfers out		-	(61,163)	(61,163)
Total other financing uses		-	(61,163)	(61,163)
Net change in fund balances		(96,649)	125,098	221,747
Fund balances, beginning of year		(1,144,629)	(1,144,629)	-
Fund balances, end of year	$	(1,241,278)	(1,019,531)	221,747

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Library Grant Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	81,271	70,007	(11,264)
Miscellaneous		20	20	
Other grant revenue		51,173	51,173	-
Donations		39,012	39,012	-
Total revenues		171,476	160,212	(11,264)
Expenditures:				
Library		173,541	157,281	16,260
Total expenditures		173,541	157,281	16,260
Excess (deficiency) of revenues over (under) expenditures		(2,065)	2,931	4,996
Net change in fund balances		(2,065)	2,931	4,996
Fund balances, beginning of year		46,484	46,484	-
Fund balances, end of year	$	44,419	49,415	4,996

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Miscellaneous Special Revenue Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous	$	117,973	195,525	77,552
Total revenues		117,973	195,525	77,552
Expenditures:				
General government		93,167	50,023	43,144
Fire		14,258	-	14,258
Animal services		102,921	33,370	69,551
Parks		87,534	46,694	40,840
Municipal court		3,462	-	3,462
Community development		96,276	-	96,276
Total expenditures		397,618	130,087	267,531
Excess (deficiency) of revenues over (under) expenditures		(279,645)	65,438	345,083
Net change in fund balances		(279,645)	65,438	345,083
Fund balances, beginning of year		139,713	139,713	-
Fund balances, end of year	$	(139,932)	205,151	345,083

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Emergency Management Grant Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	316,954	262,476	(54,478)
Program income		140	730	590
Total revenues		317,094	263,206	(53,888)
Expenditures:				
Police		295,998	260,996	35,002
Total expenditures		295,998	260,996	35,002
Excess of revenues over expenditures		21,096	2,210	(18,886)
Net change in fund balances		21,096	2,210	(18,886)
Fund balances, beginning of year		(20,205)	(20,205)	-
Fund balances, end of year	$	891	(17,995)	(18,886)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Red Light Enforcement Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Fines, forfeitures, and penalities	$	1,700,000	1,730,687	30,687
Investment income		1,000	-	(1,000)
Total revenues		1,701,000	1,730,687	29,687
Expenditures:				
Traffic		1,923,773	1,333,529	590,244
Total expenditures		1,923,773	1,333,529	590,244
Excess (deficiency) of revenues over (under) expenditures		(222,773)	397,158	619,931
Other financing uses:				
Transfers out		(534,155)	(534,155)	-
Total other financing uses		(534,155)	(534,155)	-
Net change in fund balances		(756,928)	(136,997)	619,931
Fund balances, beginning of year		1,631,442	1,631,442	-
Fund balances, end of year	$	874,514	1,494,445	619,931

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Irving Housing Finance Corporation Fund

Year ended September 30, 2015

		Budget	Actual	Variance positive (negative)
Revenues:				
Sale of Property	$	-	-	-
Total revenues		-	-	-
Expenditures:				
Community development		-	244,141	(244,141)
Total expenditures		-	244,141	(244,141)
Deficiency of revenues under expenditures		-	(244,141)	(244,141)
Net change in fund balances		-	(244,141)	(244,141)
Fund balances, beginning of year		580,601	580,601	-
Fund balances, end of year	$	580,601	336,460	(244,141)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – PEG Fee Fund

Year ended September 30, 2015

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 361,000	400,059	39,059
Total revenues	361,000	400,059	39,059
Expenditures:			
Community development	344,581	314,214	30,367
Total expenditures	344,581	314,214	30,367
Excess of revenues over expenditures	16,419	85,845	69,426
Net change in fund balances	16,419	85,845	69,426
Fund balances, beginning of year	186,803	186,803	-
Fund balances, end of year	$ 203,222	272,648	69,426

IRVING
TEXAS

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department for another. The City's Internal Service Funds are as follows:

Garage and Equipment Replacement – This fund is to account for the repair, maintenance, and replacement of all City vehicles. The Garage and Equipment Replacement Fund accounts for all City vehicles, and charges user departments for the costs of servicing and replacing City vehicles. The charges are allocated to the various departments in proportion to the number and types of vehicles operated by the department and in proportion to the extent of the use of the maintenance service.

Self-Insurance – This fund is to account for the City's self–insurance programs. The City is self-insured for workers' compensation, general liability, auto physical damage, and employees' medical benefits for those who elect the City's coverage. The City's group life insurance coverage is also included in this fund for financial reporting convenience.

Computer Replacement – This fund is to provide for the replacement of City computers. The individual departments transfer money into this fund each year based on depreciation.

City of Irving, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2015

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 6,862,663	5,392,488	1,940,128	14,195,279
Investments	4,993,265	10,781,508	1,497,991	17,272,764
Accounts receivable, net	18,195	-	-	18,195
Accrued interest	4,635	6,459	905	11,999
Inventories, at cost	116,146	-	-	116,146
Total current assets	11,994,904	16,180,455	3,439,024	31,614,383
Noncurrent assets:				
Capital assets:				
Buildings	147,980	-	-	147,980
Equipment	48,386,722	-	8,480,909	56,867,631
Construction in progress	3,140,858	-	7,509	3,148,367
Less: accumulated depreciation	(34,801,670)	-	(7,701,019)	(42,502,689)
Total noncurrent assets	16,873,890	-	787,399	17,661,289
Total assets	28,868,794	16,180,455	4,226,423	49,275,672
Deferred outflows of resources				
City contributions made after measurerment date	227,001	-	-	227,001
Difference in projected and actual earnings of pension plan investments	131,047	-	-	131,047
Total deferred outflow of resources	358,048	-	-	358,048
Liabilities				
Current liabilities:				
Accounts payable	2,377,054	128,366	471,453	2,976,873
Accrued wages and benefits	93,914	-	-	93,914
Lease payable	302,814	-	-	302,814
Estimated liability for unpaid claims	-	4,867,284	-	4,867,284
Total current liabilities	2,773,782	4,995,650	471,453	8,240,885
Noncurrent liabilities, net of current portion:				
Estimated liability for unpaid claims	-	3,725,493	-	3,725,493
OPEB payable	251,911	-	-	251,911
Net Pension Liabilities	881,355	-	-	881,355
Lease payable	152,623	-	-	152,623
Total noncurrent liabilities	1,285,889	3,725,493	-	5,011,382
Total liabilities	4,059,671	8,721,143	471,453	13,252,267
Deferred inflows of resources				
Difference in expected and actual experience	48,972	-	-	48,972
Net Position				
Net investment in capital assets	16,873,890	-	787,399	17,661,289
Unrestricted	8,244,309	7,459,312	2,967,571	18,671,192
Total net position	$ 25,118,199	7,459,312	3,754,970	36,332,481

City of Irving, Texas

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year ended September 30, 2015

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Operating revenues:				
Charges for services	$ 9,204,941	33,741,524	1,026,733	43,973,198
Miscellaneous	345,816	228,063	99,191	673,070
Total operating revenues	9,550,757	33,969,587	1,125,924	44,646,268
Operating expenses:				
Personnel services	2,429,990	-	-	2,429,990
Supplies	4,078,655	-	921,490	5,000,145
Maintenance	133,507	-	-	133,507
Depreciation	4,116,737	-	268,974	4,385,711
Sundry charges	1,722	-	-	1,722
Claims	-	29,431,254	-	29,431,254
Insurance premiums	-	1,916,047	-	1,916,047
Other	48,214	1,243,194	-	1,291,408
Total operating expenses	10,808,825	32,590,495	1,190,464	44,589,784
Operating income (loss)	(1,258,068)	1,379,092	(64,540)	56,484
Nonoperating revenues:				
Investment income	11,961	16,819	2,470	31,250
Interest expense	(16,663)	-	-	(16,663)
Gain on sale of capital assets	162,051	-	-	162,051
Total nonoperating revenue	157,349	16,819	2,470	176,638
Income (loss)	(1,100,719)	1,395,911	(62,070)	233,122
Change in net position	(1,100,719)	1,395,911	(62,070)	233,122
Net position, beg of year as restated (see Note 1(q))	26,218,918	6,063,401	3,817,040	36,099,359
Net position, end of year	$ 25,118,199	7,459,312	3,754,970	36,332,481

City of Irving, Texas
Combining Statement of Cash Flows
Internal Service Funds
Year ended September 30, 2015

		Garage and equipment replacement	Self-insurance	Computer replacement	Total
Cash flows from operating activities:					
Receipts from customers	$	9,204,941	33,741,524	1,125,925	44,072,390
Payments to suppliers for goods, services and claims		(2,120,943)	(30,861,017)	(481,537)	(33,463,497)
Payments to employees		(1,652,754)	-	-	(1,652,754)
Other receipts		345,816	228,063	-	573,879
Other payments		-	(1,243,194)	-	(1,243,194)
Net cash provided by operating activities		5,777,060	1,865,376	644,388	8,286,824
Cash flows from capital and related financing activities:					
Principal payment on lease payable		(667,826)	-	-	(667,826)
Interest payment on lease payable		(16,663)	-	-	(16,663)
Proceeds from sale of capital assets		177,725	-	-	177,725
Acquisitions of capital assets		(7,081,624)	-	(237,860)	(7,319,484)
Net cash used in capital and related financing activities		(7,588,388)	-	(237,860)	(7,826,248)
Cash flows from investing activities:					
Interest on investments		8,868	15,078	1,636	25,582
Purchase of investments		(8,490,371)	(17,525,565)	(2,997,182)	(29,013,118)
Maturities of investments		9,242,448	14,735,832	1,499,190	25,477,470
Net cash provided by (used in) investing activities		760,945	(2,774,655)	(1,496,356)	(3,510,066)
Net decrease in cash and cash equivalents		(1,050,383)	(909,279)	(1,089,828)	(3,049,490)
Cash and cash equivalent, beginning of the year		7,913,046	6,301,767	3,029,956	17,244,769
Cash and cash equivalent, end of the year	$	6,862,663	5,392,488	1,940,128	14,195,279

(continued)

City of Irving, Texas
Combining Statement of Cash Flows -
Reconciliation of Operating Income
Internal Service Funds
Year ended September 30, 2015

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ (1,258,068)	1,379,092	(64,540)	56,484
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: operating activities:				
Depreciation	4,116,737	-	268,974	4,385,711
Changes in assets and liabilities:				
Decrease in inventories	107,065	-	-	107,065
(Increase) in city contributions made after measurement date	(51,213)	-	-	(51,213)
(Increase) in difference in projected and actual earnings of pension plan investments	(131,047)	-	-	(131,047)
(Decrease) increase in accounts payable	2,034,090	(69,212)	439,954	2,404,832
Increase in accrued wages and benefits	1,533	-	-	1,533
Increase in estimated liability for unpaid claims	-	555,496	-	555,496
Increase in OPEB payable	42,615	-	-	42,615
Increase in net pension liability	866,376	-	-	866,376
Increase in difference in expected and actual experience	48,972	-	-	48,972
Total adjustments	7,035,128	486,284	708,928	8,230,340
Net cash provided by operating activities	$ 5,777,060	1,865,376	644,388	8,286,824

(concluded)

IRVING
TEXAS

Trust and Agency Funds

Trust and Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's Trust and Agency Funds are as follows:

Pension Trust Funds

Supplemental Benefit Plan – This fund is to account for funds held to provide retirement income to City employees. The plan is funded through contributions from the City and employees' payroll deductions. The plan was established to provide retirement income to supplement benefits provided through the Texas Municipal Retirement System.

Voluntary Employee Beneficiary Association – This fund is to account for funds held to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. Funds can also be used to offset active employee health insurance premiums. The plan is funded through contributions from the City.

Agency Funds

Cash Bond – This fund is to account for cash bonds posted by an individual accused of committing a crime. The amount of the bond will be sufficient to cover any potential fines. The bonds of those who fail to appear are forfeited and recorded as General Fund revenues. Bonds of those who do appear are returned, net of any penalties or fines.

CITY OF IRVING, TEXAS

Combining Statement of Plan Net Position - Pension Trust Funds

Year ended September 30, 2015

		Pension Trust Funds		
Assets		Supplemental Benefit Plan	Voluntary Employee Beneficiary Association	Total
Cash and cash equivalents	$	1,278,966	347,607	1,626,573
Investments, at fair value				
U.S. Government securities		3,084,095	-	3,084,095
Common stock		22,837,537	-	22,837,537
Alternative investment/hedge fund		12,949,786	-	12,949,786
Mutual funds		4,336,325	-	4,336,325
Corporate bonds		4,351,256	-	4,351,256
Municipal Obligation		280,878	-	280,878
Total assets		49,118,843	347,607	49,466,450
Net Position				
Held in trust for pension benefits and other purposes	$	49,118,843	347,607	49,466,450

CITY OF IRVING, TEXAS

Statement of Changes in Plan Net Position - Pension Trust Funds

Year ended September 30, 2015

	Pension Trust Funds		
	Supplemental Benefits Plan	Voluntary Employee Beneficiary Association	Total
ADDITIONS:			
Employee contributions	$ 2,302,433	-	2,302,433
Employer contributions	1,383,222	-	1,383,222
Investment income			
Net increase in fair value of investments	(1,030,747)	-	(1,030,747)
Interest Income	707,342	306	707,648
Total investment income	(323,405)	306	(323,099)
Less investment expense	(398,323)	-	(398,323)
Net investment income (loss)	(721,728)	306	(721,422)
Total additions	2,963,927	306	2,964,233
DEDUCTIONS:			
Benefits and refunds paid	3,541,290	78,469	3,619,759
Administrative costs	36,250	-	36,250
Total deductions	3,577,540	78,469	3,656,009
Net change in plan net position	(613,613)	(78,163)	(691,776)
Plan net position, beginning of year	49,732,456	425,770	50,158,226
Plan net position, end of year	$ 49,118,843	347,607	49,466,450

CITY OF IRVING, TEXAS

Statement of Changes in Assets and Liabilities - Agency Fund

Year ended September 30, 2015

Cash Bond Fund		Balance September 30, 2014	Additions	Deductions	Balance September 30, 2015
Assets:					
Cash and cash equivalents	$	62,877	677,030	706,787	33,120
Total assets	$	62,877	677,030	706,787	33,120
Liabilities:					
Sundry payables	$	62,877	834,892	864,649	33,120
Total liabilities	$	62,877	834,892	864,649	33,120

CITY OF IRVING, TEXAS

Statistical Section (Unaudited)

This part of the City of Irving's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	150
These schedules contain trend information to help the readers understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	160
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	164
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	169
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	174
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF IRVING, TEXAS

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2006	2007	2008	2009	2010
Governmental activities:					
Net investment in capital assets	$ 312,500	$ 332,848	$ 364,411	$ 371,723	$ 337,116
Restricted	13,925	53,843	54,444	54,492	48,376
Unrestricted	81,897	50,497	55,007	52,171	25,699
Total governmental activities net position	$ 408,322	$ 437,188	$ 473,862	$ 478,386	$ 411,191
Business-type activities:					
Net investment in capital assets	$ 194,879	$ 199,265	$ 202,704	$ 208,630	$ 251,247
Restricted	16,982	18,490	16,662	9,482	9,558
Unrestricted	34,329	30,240	35,202	41,557	39,529
Total business-type activities net position	$ 246,190	$ 247,995	$ 254,568	$ 259,669	$ 300,334
Primary government:					
Net investment in capital assets	$ 507,379	$ 532,113	$ 567,115	580,353	$ 588,363
Restricted	30,907	72,333	71,107	63,974	57,934
Unrestricted	116,226	80,737	90,209	93,728	65,228
Total primary government net position	$ 654,512	$ 685,183	$ 728,431	$ 738,055	$ 711,525

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt issuance now expensed at the time of issue. Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

Schedule 1

2011	2012	2013	2014	2015
$ 336,269	$ 313,508	$ 307,145	$ 287,777	$ 302,297
47,770	57,316	66,824	78,508	89,993
32,383	35,147	42,383	31,746	(23,930)
$ 416,422	$ 405,971	$ 416,352	$ 398,031	$ 368,360
$ 253,903	$ 262,333	$ 268,767	$ 273,032	$ 290,324
10,420	10,618	11,341	11,093	11,103
54,309	65,000	73,204	78,761	68,523
$ 318,632	$ 337,951	$ 353,312	$ 362,886	$ 369,950
$ 590,172	$ 575,841	$ 575,912	$ 560,809	$ 592,621
58,190	67,934	78,165	89,601	101,097
86,692	100,147	115,587	110,507	44,592
$ 735,054	$ 743,922	$ 769,665	$ 760,917	$ 738,310

CITY OF IRVING, TEXAS

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2006	2007	2008	2009	2010
Expenses					
Governmental activities:					
General government	$ 35,113	$ 44,315	$ 48,229	$ 55,249	$ 31,975
Police	42,961	43,604	52,541	56,752	58,015
Fire	29,649	30,050	33,480	35,732	36,256
Public health & environmental services	8,831	8,352	8,390	8,259	-
Animal Services	-	-	1,014	1,172	1,316
Parks and recreation	13,710	13,515	15,680	15,853	19,161
Municipal court	3,028	2,985	3,159	3,079	3,183
Library	7,060	6,559	7,416	7,317	7,107
Community development	20,511	23,884	24,040	30,081	42,752
Drainage utilities	4,176	3,984	4,685	5,013	-
Public works	18,715	19,195	23,656	33,100	33,706
Interest on long-term debt	8,485	8,817	9,186	15,554	16,601
Total governmental activities expenses	192,239	205,260	231,476	267,161	250,072
Business-type activities:					
Water and sanitary sewer	65,833	67,022	70,185	70,415	72,151
Solid waste	-	-	-	-	10,562
Municipal Drainage	-	-	-	-	6,205
Total business-type activities expenses	65,833	67,022	70,185	70,415	88,918
Total primary government expenses	$ 258,072	$ 272,282	$ 301,661	$ 337,576	$ 338,990
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	$ 14,656	$ 6,996	$ 12,922	7,795	$ 3,787
Police	1,831	2,193	2,908	5,020	5,276
Fire	2,000	1,975	2,305	2,050	3,954
Public health & environmental services	8,991	10,386	10,518	10,941	-
Municipal court	10,274	8,138	8,976	8,804	7,972
Community development	2,418	3,895	3,274	5,195	8,020
Drainage Utilities	3,700	3,769	4,401	5,144	-
Other	1,459	1,867	2,282	2,059	2,344
Operating grants and contributions	8,422	7,141	8,779	9,804	12,021
Capital grants and contributions	8,022	7,545	4,184	14,256	1,987
Total governmental activities program revenues	61,773	53,905	60,549	71,068	45,361
Business-type activities:					
Charges for services:					
Water and sewer	69,909	62,085	71,659	75,901	75,513
Solid waste	-	-	-	-	10,483
Municipal Drainage	-	-	-	-	5,209
Capital grants and contributions	3,354	2,776	2,306	3,475	497
Total business-type activities program revenues	73,263	64,861	73,965	79,376	91,702
Total primary government program revenues	$ 135,036	$ 118,766	$ 134,514	$ 150,444	$ 137,063

(continued)

Schedule 2

2011	2012	2013	2014	2015
$ 34,892	$ 35,741	$ 36,685	$ 31,865	$ 40,429
54,712	53,943	56,113	56,605	73,179
36,349	37,142	39,778	39,457	40,783
-	-	-	-	-
925	892	1,291	1,380	1,754
15,304	15,508	15,738	16,640	20,323
3,036	2,918	2,920	2,923	3,697
6,488	6,448	6,391	6,844	8,829
32,656	27,393	23,482	37,323	35,564
-	-	-	-	-
25,185	25,945	26,857	33,786	30,365
16,900	16,283	20,305	20,530	20,465
226,447	222,213	229,560	247,353	275,387
68,401	66,593	70,189	75,350	82,733
10,087	10,541	10,928	10,951	12,477
5,249	5,177	5,445	5,651	6,749
83,737	82,311	86,562	91,953	101,959
$ 310,184	$ 304,524	$ 316,122	339,306	377,347
$ 4,449	$ 4,430	$ 5,631	$ 5,173	$ 6,409
5,203	5,588	5,705	5,576	5,000
3,695	4,076	4,130	3,953	4,217
-	-	-	-	-
7,459	8,743	7,810	7,470	6,509
3,890	1,382	1,349	1,535	1,563
-	-	-	-	-
2,362	2,388	2,448	2,755	2,656
12,997	10,686	11,190	11,159	12,815
6,631	1,694	2,174	2,842	7,041
46,686	38,987	40,437	40,463	46,210
85,404	84,382	85,157	82,397	84,826
11,204	11,238	11,130	11,716	12,449
5,247	5,242	5,250	5,527	5,241
1,405	1,543	1,054	2,257	5,676
103,260	102,405	102,591	101,897	108,192
$ 149,946	$ 141,392	$ 143,028	$ 142,360	$ 154,401

(continued)

City of Irving, Texas

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2006	2007	2008	2009	2010
Net (Expenses)/Program Revenues					
Governmental activities	$ (130,466)	$ (151,355)	$ (170,927)	$ (196,093)	$ (204,711)
Business-type activities	7,430	(2,161)	3,780	8,961	2,784
Total primary government net expenses	(123,036)	(153,516)	(167,147)	(187,132)	(201,927)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	75,690	84,888	92,875	98,044	94,175
Sales taxes	45,745	46,896	50,650	47,390	44,311
Gross receipts taxes	16,401	16,855	18,933	26,706	19,108
Hotel / motel occupancy taxes	14,317	18,948	24,528	19,866	15,791
Other taxes and fees	-	-	-	-	-
Investment income	8,631	10,271	8,203	2,723	794
Miscellaneous	103	365	814	780	709
Special Item - landfill closure and post closure	-	-	-	-	(41,909)
Special Item - sale of real estate	-	2,000	7,515	-	-
Special Item - loss on loan commitment	-	-	-	-	-
Special Item - loss on development	-	-	-	-	-
Gain on sale of assets	-	-	4,082	295	248
Transfers	-	-	-	4,813	4,289
Total governmental activities	160,887	180,223	207,600	200,617	137,516
Business-type activities:					
Investment income	3,238	3,966	2,793	953	261
Special Item - landfill closure and post closure	-	-	-	-	41,909
Transfers	-	-	-	(4,813)	(4,290)
Total business-type activities	3,238	3,966	2,793	(3,860)	37,880
Total primary government	164,125	184,189	210,393	196,757	175,396
Change in Net Position					
Governmental activities	30,422	28,868	36,673	4,524	(67,195)
Business-type activities	10,667	1,805	6,573	5,101	40,664
Total primary government	$ 41,089	$ 30,673	$ 43,246	$ 9,625	$ (26,531)

(continued)

Note: In 2010, the governmental activities for public health & environmental services and drainage utilities were operated as business-type activities under solid waste and municipal drainage respectively.

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt now expensed at the time of issue. Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

Schedule 2

2011	2012	2013	2014	2015
$ (179,761)	$ (183,226)	$ (189,123)	$ (206,889)	$ (229,178)
19,523	20,094	16,029	9,945	6,233
(160,238)	(163,132)	(173,094)	(196,944)	(222,945)
96,490	99,163	103,374	106,352	112,750
48,212	48,067	53,214	56,356	64,626
19,961	19,130	19,316	20,041	19,964
18,031	18,939	20,869	22,977	24,617
-	-	-	-	-
257	177	233	204	250
270	1,761	1,561	1,372	1,156
-	-	-	-	-
-	-	-	-	-
-	(15,984)	-	-	-
-	-	-	(19,512)	-
404	626	114	276	162
1,367	896	825	500	500
184,992	172,775	199,506	188,566	224,025
143	121	157	130	124
-	-	-	-	-
(1,367)	(896)	(825)	(500)	(500)
(1,224)	(775)	(668)	(370)	(376)
183,768	172,000	198,838	188,196	223,649
5,231	(10,451)	10,383	(18,323)	(5,153)
18,299	19,319	15,361	9,575	5,857
$ 23,530	$ 8,868	$ 25,744	$ (8,748)	$ 704

(concluded)

CITY OF IRVING, TEXAS

Fund Balances of Governmental funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

			Fiscal Year		
	2006	2007	2008	2009	2010
General Fund:					
Non-spendable	$ -	$ -	$ -	$ -	$ -
Reserved *	1,731	1,907	2,525	1,827	5,172
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unreserved/unassigned	23,144	32,297	31,714	34,397	27,975
Total General Fund	$ 24,875	$ 34,204	$ 34,239	$ 36,224	$ 33,147
All other governmental funds:					
Reserved for:					
Encumbrances	$ 18,993	$ 22,144	$ 51,274	111,551	$ 33,799
Debt service	12,758	11,199	8,219	23,522	18,029
Unreserved, reported in:					
Special revenue funds	43,219	48,237	32,586	37,211	29,806
Capital projects	37,074	45,315	59,735	63,480	52,425
Restricted for:					
Debt service	-	-	-	-	-
Police	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Library	-	-	-	-	-
Community development	-	-	-	-	-
Public works	-	-	-	-	-
Other purposes		-	-	-	-
Assigned to:					
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Other capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 112,044	$ 126,895	$ 151,814	$ 235,764	$ 134,059

Note: Through fiscal year 2010 includes encumbrances,
and noncurrent loan receivables and prepaid items.

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in Fiscal Year 2011.

Schedule 3

Fiscal Year				
2011	2012	2013	2014	2015
$ 1,090	$ 88	$ 60	$ 41	$ 174
-	-	-	-	-
3,500	-	-	-	-
13,244	18,161	22,365	19,962	6,378
17,973	22,271	29,034	32,067	54,022
$ 35,807	$ 40,520	$ 51,459	$ 52,070	$ 60,574
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
19,518	22,708	22,407	28,560	33,745
1,243	1,611	1,423	1,514	1,601
3,318	1,563	1,908	2,838	3,258
5,017	11,150	8,481	2,652	-
38,926	43,279	50,578	94,476	97,416
26,443	23,529	29,333	41,631	22,494
3,792	11,969	14,702	6,503	10,415
1,688	1,420	3,156	1,049	649
4,064	2,652	2,744	4,116	1,023
703	1,464	961	2,905	824
-	(724)	(1,274)	(1,170)	(1,101)
$ 104,712	$ 120,621	$ 134,419	$ 185,074	$ 170,324

CITY OF IRVING, TEXAS

Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenues					
Taxes	$ 152,866	$167,481	$186,792	$191,655	$173,530
Fees, licenses, & permits	7,741	8,416	9,392	7,600	7,735
Fines, forfeitures & penalties	8,481	7,514	8,630	8,810	9,657
Charges for services	14,779	15,796	16,368	17,603	1,146
Intergovernmental	14,340	9,416	13,335	13,970	21,181
Investment income	7,072	8,303	6,985	2,348	693
Sale of property	-	-	814	780	710
Miscellaneous	7,075	17,680	10,009	11,534	13,241
Total revenues	212,354	234,606	252,325	254,300	227,893
Expenditures					
General government	37,798	43,329	45,601	43,643	39,458
Police	42,942	43,061	50,133	55,019	54,642
Fire	29,384	30,335	32,797	34,375	34,090
Public health & environ. services	8,483	8,327	7,349	7,445	-
Animal Services	-	-	1,141	1,134	1,259
Parks and recreation	12,418	12,392	13,775	13,777	16,223
Municipal court	3,022	3,020	3,105	2,966	3,212
Library	6,757	6,404	6,841	6,822	6,486
Community development	19,452	23,922	28,361	28,480	38,907
Drainage utilities	3,645	3,734	3,996	4,275	-
Public Works	12,629	11,738	12,489	11,858	12,001
Debt service - principal	14,970	14,600	17,135	17,045	17,865
Debt service - interest	7,828	8,642	9,547	15,133	18,122
Debt service - contract payments	1,158	1,476	1,816	2,052	2,415
Capital outlay	18,783	29,689	41,542	87,597	112,285
Total expenditures	219,269	240,669	275,628	331,621	356,965
Deficiency of revenues under expenditures	(6,915)	(6,063)	(23,303)	(77,321)	(129,072)
Other financing sources (uses)					
Transfer in	2,819	14,327	11,939	51,294	17,779
Transfers out	(8,661)	(11,716)	(11,939)	(46,481)	(21,213)
Bond proceeds	27,070	27,500	36,725	159,790	26,975
Premium on bonds issued	1,899	132	4	779	748
Proceeds of refunding bonds	28,130	-	-	21,305	-
Loan proceeds	4,176	-	-	-	-
Sale of capital assets	-	-	11,528	-	-
Payment to refunded bond agent	(29,947)	-	-	(23,430)	-
Total other financing sources (uses)	25,486	30,243	48,257	163,257	24,289
Net change in fund balances	$ 18,571	$ 24,180	$ 24,954	$ 85,936	$ (104,783)
Debt service as a percentage of noncapital expenditures	11.61%	11.16%	11.77%	12.80%	14.21%

Schedule 4

Fiscal Year				
2011	2012	2013	2014	2015
$182,848	$185,219	$195,866	$207,208	$221,700
8,277	8,940	9,516	9,622	9,765
9,230	10,021	9,363	8,422	8,495
1,289	1,051	1,278	1,283	1,405
21,823	18,618	19,273	19,177	20,504
248	147	201	191	218
270	2	1	42	-
13,521	8,749	9,724	8,898	9,746
237,506	232,747	245,222	254,843	271,833
40,350	39,009	40,436	34,526	37,988
53,454	51,959	51,615	54,407	55,588
33,767	33,732	34,298	36,642	38,013
-	-	-	-	-
919	872	1,301	1,382	1,533
12,941	12,833	13,116	13,966	14,824
2,970	2,794	3,008	2,851	2,886
6,018	5,816	5,899	6,279	6,647
29,987	25,680	24,191	34,257	33,831
-	-	-	-	-
14,167	15,468	16,212	17,194	16,867
15,565	13,825	15,615	18,335	16,110
17,717	17,727	18,539	20,244	23,074
2,052	2,323	2,289	2,584	1,831
39,556	12,845	25,033	44,774	41,846
269,463	234,883	251,552	287,441	291,039
(31,957)	(2,136)	(6,330)	(32,598)	(19,206)
29,540	16,304	23,660	21,801	25,278
(31,443)	(15,408)	(22,835)	(21,301)	(24,778)
6,505	21,398	29,763	80,235	12,205
3,867	383	581	1,744	630
51,825	30,047	5,775	24,660	10,565
-	-	-	-	-
-	-	-	-	-
(55,024)	(29,966)	(5,876)	(23,275)	(10,940)
5,270	22,758	31,068	83,864	12,959
$ (26,687)	$ 20,622	$ 24,738	$ 51,266	$ (6,246)
14.52%	14.95%	15.08%	15.80%	15.65%

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

	Estimated Market Value				
Fiscal Year	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2006	13,003,884,640	3,072,114,150	2,284,017,708	13,791,981,082	0.5479
2007	14,211,160,060	3,269,562,020	2,386,153,574	15,094,568,506	0.5479
2008	15,909,491,660	3,844,825,960	2,582,042,873	17,172,274,747	0.5406
2009	16,480,503,230	4,401,611,390	2,675,755,969	18,206,358,651	0.5406
2010	15,196,175,096	4,383,697,175	1,752,273,031	17,827,599,240	0.5406
2011	14,489,719,443	4,325,358,790	1,738,763,643	17,076,314,590	0.5761
2012	14,053,559,590	4,379,200,039	1,726,293,841	16,706,465,788	0.5986
2013	14,477,941,179	4,581,909,748	1,704,519,446	17,355,331,481	0.5986
2014	15,108,000,600	4,706,099,281	1,739,100,396	18,074,999,485	0.5986
2015	16,337,848,517	4,793,780,413	1,842,898,409	19,288,730,521	0.5941

Source: Dallas Central Appraisal District - Original Certified Tax Roll

Property Tax Rates - Direct and Overlapping (Per $100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

	City of Irving					
Fiscal year	General fund	Debt Service fund	Total	Irving School District	Dallas County	Total (1)
2006	0.4029	0.1450	0.5479	1.8140	0.5548	2.92
2007	0.4204	0.1275	0.5479	1.6440	0.5539	2.75
2008	0.4072	0.1334	0.5406	1.3485	0.5672	2.46
2009	0.4057	0.1349	0.5406	1.3910	0.5764	2.51
2010	0.3813	0.1593	0.5406	1.4250	0.6022	2.57
2011	0.4152	0.1609	0.5761	1.4650	0.6233	2.66
2012	0.4415	0.1571	0.5986	1.4650	0.6238	2.69
2013	0.4462	0.1524	0.5986	1.4650	0.6434	2.71
2014	0.4452	0.1534	0.5986	1.4650	0.6538	2.72
2015	0.4518	0.1423	0.5941	1.4350	0.6639	2.69

Source: Irving Independent School District and Dallas County

(1) Dallas County rates include all jurisdictions for which ad valorem taxes are applicable to the entire City. These rates have been presented using the assessment ratio applied by the City of Irving in each respective year. Certain jurisdictions have been omitted for which immaterial amounts of taxing authority are applicable to the City.

Principal Property Taxpayers
Current Year and Nine Years Ago

(Unaudited)

	Taxpayer	2015 Taxable Assessed Value	2015 Rank	2015 Percent of Total Taxable Assessed Valuation	2006 Taxable Assessed Value	2006 Rank	2006 Percent of Total Taxable Assessed Valuation
*	Aviall, Inc	$848,412,130	1	4.40%	$ 292,034,310	1	1.89%
	F6TWS (Williams Square)	204,103,000	2	1.06%	-		-
	Oncor Electric Delivery	185,401,150	3	0.96%	-		-
*	Neiman Marcus Distribution	118,661,720	4	0.62%	-		-
	Urban Towers	110,200,000	5	0.57%	-		-
*	Zale Delaware	107,893,920	6	0.55%	152,914,850	3	0.99%
	Four Seasons Resort and Club	104,302,000	7	0.54%	-		-
	GTE Realty Corp	97,899,680	8	0.51%	108,285,440	6	0.70%
*	Verizon	93,406,420	9	0.48%	89,134,940	7	0.58%
	State Farm Mutual Auto Insurance	84,826,470	10	0.44%	-		-
	Texas Utilities Electric Corp	-		-	170,014,750	2	1.10%
	TIAA Realty, Inc	-		-	135,850,000	4	0.88%
	Hines Las Colinas	-		-	121,511,719	5	0.79%
	Exxon Mobil Corp	-		-	77,947,000	8	0.51%
	SP Millenium Center	-		-	73,750,000	9	0.48%
	Southwestern Bell	-		-	62,775,600	10	0.41%
	Total	$1,955,106,490		10.13%	$ 1,284,218,609		8.33%

Source: City of Irving Economic and Demographic Data Book

* Taxable Assessed Value offset by active incentive agreements

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Adjusted Current Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2006	76,177,638	75,466,971	99.07	665,430	76,132,401	99.94
2007	83,637,331	82,866,682	99.08	711,950	83,578,632	99.93
2008	91,661,509	91,075,349	99.36	518,557	91,593,906	99.93
2009	97,785,702	96,727,868	98.92	950,148	97,678,016	99.89
2010	94,707,159	93,475,233	98.70	1,103,175	94,578,408	99.86
2011	96,784,024	95,940,240	99.13	593,865	96,534,105	99.74
2012	99,084,409	98,375,468	99.28	496,063	98,871,531	99.79
2013	102,966,150	102,321,885	99.37	410,657	102,732,542	99.77
2014	108,182,563	107,519,257	99.39	298,690	107,817,947	99.66
2015	114,715,164	114,086,756	99.45	N/A	114,086,756	99.45

Note: Collections do not include penalty and interest on delinquent taxes.

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities					
Fiscal Year	General Obligation Bonds	Special Revenue Bonds	Revenue Bonds	Notes Payable	Lease Payable	Total Governmental Activities
2006	167,705,000	10,755,000	-	4,745,000	-	183,205,000
2007	182,040,000	9,785,000	-	4,280,000	-	196,105,000
2008	199,140,000	12,750,000	-	3,805,000	-	215,695,000
2009	200,765,000	153,235,000	-	3,320,000	-	357,320,000
2010	204,065,000	159,545,000	-	2,820,000	1,305,912	367,735,912
2011	198,985,000	155,830,000	-	2,300,000	1,880,847	358,995,847
2012	205,710,000	155,320,000	29,095,000	1,760,000	1,389,789	393,274,789
2013	209,535,000	166,340,000	28,945,000	1,200,000	887,024	406,907,024
2014	214,100,000	225,880,000	28,790,000	615,000	1,123,263	470,508,263
2015	210,015,000	225,060,000	28,630,000	-	455,437	464,160,437

	Water/ Sewer Revenue Bonds	Water Supply Obligations	Municipal Drainage Revenue Bonds	Total Business-Type Activities	Total Primary Government	Percentage of Effective Buying Income (1)	Per Capita (1)
2006	165,050,000	19,800,000	-	184,850,000	368,055,000	7.75%	1,822.71
2007	173,640,000	19,550,059	-	193,190,059	389,295,059	8.31%	1,893.46
2008	177,050,000	19,292,119	-	196,342,119	412,037,119	8.60%	1,960.68
2009	181,550,000	19,025,788	-	200,575,788	557,895,788	10.12%	2,628.48
2010	171,690,000	18,750,793	2,120,000	192,560,793	560,296,705	10.10%	2,621.88
2011	184,505,000	18,466,852	2,040,000	205,011,852	564,007,699	10.26%	2,599.47
2012	186,415,000	18,173,675	1,960,000	206,548,675	599,823,464	10.52%	2,717.83
2013	189,145,000	17,870,961	4,535,000	211,550,961	618,457,985	10.47%	2,801.62
2014	175,105,000	17,558,399	4,355,000	197,018,399	667,526,662	10.90%	2,940.26
2015	172,295,000	17,235,670	4,170,000	193,700,670	657,861,107	10.67%	2,877.12

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule 14 on Demographic and Economic Statistics for Effective Buying Income and population data.

Ratios of Net General Bonded Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Taxable Assessed Value (2)	General Bonded Debt	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Taxable Value of Property	Net General Bonded Debt Per Capita
2006	201,927	13,791,981,082	167,705,000	11,210,115	156,494,885	1.13%	775.01
2007	205,600	15,094,568,506	182,040,000	9,385,809	172,654,191	1.14%	839.76
2008	210,150	17,172,274,747	199,140,000	6,636,508	192,503,492	1.12%	916.03
2009	212,250	18,206,358,651	200,765,000	4,644,823	196,120,177	1.08%	924.01
2010	213,700	17,827,599,240	204,065,000	6,696,558	197,368,442	1.11%	923.58
2011	216,970	17,076,314,590	198,985,000	7,310,659	191,674,341	1.12%	883.41
2012	220,699	16,706,465,788	205,710,000	8,114,949	197,595,051	1.18%	895.31
2013	220,750	17,355,331,481	209,535,000	8,518,968	201,016,032	1.16%	910.60
2014	227,030	18,074,999,485	214,100,000	8,154,486	205,945,514	1.14%	907.13
2015	228,653	19,288,730,521	210,015,000	8,208,138	201,806,862	1.05%	882.59

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sources: (1) Population estimates provided by the North Central Texas Council of Governments

(2) Dallas Central Appraisal District

Computation of Direct and Overlapping Debt
September 30, 2015
(Unaudited)

Jurisdiction	Net Debt Outstanding Amount	Net Debt Outstanding As of	Percent Applicable to City of Irving (1)	Amount applicable to City of Irving
Carrollton-Farmers Branch ISD	$ 274,820,000	9/30/2015	32.78%	90,085,996
Coppell ISD	212,350,850	9/30/2015	30.10%	63,917,606
Dallas County	84,725,000	9/30/2015	11.64%	9,861,990
Dallas County Community College District	321,510,000	9/30/2015	11.64%	37,423,764
Dallas County Hospital District	728,005,000	9/30/2015	11.64%	84,739,782
Dallas County Utility Reclamation Dist.	248,760,380	9/30/2015	99.01%	246,297,652
Dallas County Schools	60,215,000	9/30/2015	11.64%	7,009,026
Grand Prairie ISD	441,586,279	9/30/2015	4.46%	19,694,748
Grapevine-Colleyville ISD	326,820,150	9/30/2015	12.32%	40,264,242
Irving Flood Control District #1	6,560,000	9/30/2015	92.91%	6,094,896
Irving Flood Control District #3	785,000	9/30/2015	93.46%	733,661
Irving ISD	494,412,809	9/30/2015	93.99%	464,698,600
Dallas County Flood Control District #1	27,749,990	9/30/2015	99.55%	27,625,115
Total Net Overlapping Debt				1,098,447,078
City of Irving G.O. Bonds	210,015,000	9/30/2015	100.00%	210,015,000
Total direct and overlapping debt				$ 1,308,462,078
Debt as a percentage of total assessed value **			6.78%	
Total debt per capita			$ 5,722.48	

** Actual Valuation before Exemptions

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.
Source: First Southwest Company and Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Irving. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Computation of Legal Debt Margin
September 30, 2015
(Unaudited)

Article XI, Section 5 of the State of Texas Constitution states in part:

> "...no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city."

As a home rule city, the City of Irving is not limited by law in the amount of debt it may issue. The City's Charter (Article 5, Section 2) states:

> "The City Council shall have the power and it is hereby authorized and made its duty to levy annually for general purposes and for the purpose of paying interest and providing the sinking fund on the bonded indebtedness of the City of Irving now in existence or which may hereafter be created an ad valorem tax on all real, personal or mixed property within the territorial limits of said City and upon all franchises granted by the City to any individual or corporation of not exceeding a total of one dollar and fifty cents ($1.50) on the One Hundred Dollars ($100) assessed valuation of said property."

The tax rate for fiscal 2015 was established at $.5941 per $100 of assessed valuation with an assessment ratio of approximately 84.0%. The assessment ratio of 84.0% is attributable to old age, disability and homestead exemptions aggregating 5.4% and agricultural tax abatement and other tax-exempt property aggregating 10.3%.

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Year Ended September	Gross Revenue (1)	Operating Expense (2)	Pension Expense (3)	Net Available Revenue	Average Annual Debt Service (4)	Times Coverage (5) / (6)	Maximum Annual Debt Service (4)	Times Coverage (5) / (6)
			WATER AND SEWER BONDS					
2006	73,146,494	47,770,422	NA	25,376,072	11,956,427	2.12 / NA	16,558,736	1.53 / NA
2007	66,051,049	47,416,068	NA	18,634,981	12,434,357	1.50 / NA	17,016,893	1.10 / NA
2008	74,451,292	50,089,602	NA	24,361,690	12,595,313	1.93 / NA	17,536,229	1.39 / NA
2009	76,854,060	50,304,204	NA	26,549,856	12,732,594	2.09 / NA	18,511,491	1.43 / NA
2010	75,762,173	52,034,519	NA	23,727,654	12,435,135	1.91 / NA	18,511,491	1.28 / NA
2011	85,541,196	48,800,685	NA	36,740,511	12,753,787	2.88 / NA	20,271,009	1.81 / NA
2012	84,497,101	46,904,560	NA	37,592,541	12,317,126	3.05 / NA	20,691,016	1.82 / NA
2013	85,308,445	50,249,928	NA	35,058,517	12,551,322	2.79 / NA	21,956,960	1.60 / NA
2014	82,520,011	55,046,968	NA	27,473,043	12,056,504	2.28 / NA	21,956,960	1.25 / NA
2015	84,947,278	61,870,294	3,298,895	26,375,879	11,189,219	2.36 / 2.06	21,559,468	1.22 / 1.07
			MUNICIPAL DRAINAGE BONDS (7)					
2010	5,221,112	4,538,442	NA	682,670	153,092	4.46 / NA	155,893	4.38 / NA
2011	5,252,845	4,130,626	NA	1,122,219	153,070	7.33 / NA	155,893	7.20 / NA
2012	5,247,869	4,032,971	NA	1,214,898	153,135	7.93 / NA	155,893	7.79 / NA
2013	5,255,163	4,122,266	NA	1,132,897	325,286	3.48 / NA	353,036	3.21 / NA
2014	5,534,199	4,324,107	NA	1,210,092	323,995	3.73 / NA	353,036	3.43 / NA
2015	5,244,045	5,378,281	733,000	598,764	322,709	1.86 / -0.42	353,036	1.70 / -0.38

Notes:

(1) Gross Revenue includes both receipts of pro rata and investment income as defined in revenue bond ordinances.

(2) As defined in revenue bond ordinances, excludes depreciation and debt service expense.

(3) GASB 68 implemented in FY15 requires the recognition of pension expense based on actuarial valuations. Pension expense is reflected in personnel services in financials and is broken out separately in this schedule for computation of revenue times coverage.

(4) As defined in revenue bond ordinances, average annual principal and interest payment, and maximum annual principal and interest of all bonds outstanding at end of fiscal year.

(5) Before the issuance of parity debt, bond covenants typically require a revenue coverage of 1.25 times the average annual debt service and 1.10 times maximum annual debt service. Net Available Revenues used in this revenue times coverage calculation does not include pension expense.

(6) Net Available Revenues used in this revenue times coverage calculation includes pension expense.

(7) Initial Municipal Drainage revenue bonded debt issued in Fiscal Year 2010.

CITY OF IRVING, TEXAS **Schedule 14**

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Effective Buying Income (EBI) (in thousands of dollars) (2)		Per Capita Income		Median Household EBI (3)	Number of Households (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2006	201,927	4,748,717	(9)	23,517	(8)	44,956	85,365	*	46,438	4.5%
2007	205,600	4,685,007	(9)	22,787	(8)	44,740	86,679	*	45,475	4.3%
2008	210,150	4,788,688	(9)	22,787	(8)	44,956	88,463	30	33,233	5.1%
2009	212,250	5,510,859	(9)	25,964	(8)	46,574	89,292	32	46,255	6.8%
2010	213,700	5,548,507	(9)	25,964	(8)	47,007	91,128	32	52,812	8.0%
2011	216,970	5,494,548	(9)	25,324	(8)	47,269	91,367	31	45,992	7.7%
2012	220,699	5,700,876	(9)	25,831	(8)	47,266	91,694	31	57,889	5.8%
2013	220,750	5,905,946	(9)	26,754	(8)	48,005	92,452	31	56,525	5.4%
2014	227,030	6,122,999	(9)	26,970	(8)	49,407	93,311	31	54,869	5.1%
2015	228,653	6,166,771	(9)	26,970	(8)	50,810	83,099	32	53,582	3.6%

Sources:
(1) Official City Estimates, Census, and North Central Texas Council of Governments
(2) Sales and Marketing Magazine, "Survey of Buying Power"
(3) North Central Texas Council of Governments
(4) U. S. Census Bureau, 2000 Census * Median Age only available during census years
(5) Irving I. S. D., North Lake Community College and University of Dallas
(6) TAMU Real Estate Data Center; Tracer - August 2014
(7) en.wikipedia.org, and dallastx.real-estate.com
(8) U.S. Census Bureau, American Community Survey
(9) Calculated by multiplying population by per capita income divided by 1,000

IRVING
TEXAS

Schedule 15

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2015 (2)				2006 (1)		
Employer	Employees	Rank	Percent of Total City Employment	Employer	Employees	Rank	Percent of Total City Employment
Citigroup, Inc	6,500	1	2.61%	Verizon	8,058	1	7.48%
Verizon	3,260	2	1.31%	Citigroup, Inc.	6,430	2	5.97%
Irving Mall	2,100	3	0.84%	First Horizon Home Loans	3,500	3	3.25%
Allstate Insurance	2,000	4	0.80%	Citicorp Credit Company	2,500	4	2.32%
YRC Freight	1,941	5	0.79%	Nokia	2,400	5	2.23%
DFW International Airport	1,700	6	0.68%	Allstate Insurance	1,650	6	1.53%
Nokia	1,500	7	0.60%	Abbott Laboratories	1,500	7	1.39%
Quest Diagnostics	1,500	8	0.60%	Aegis Communications	1,500	8	1.39%
Michaels Stores	1,388	9	0.56%	Microsoft	1,400	9	1.30%
Microsoft	1,350	10	0.54%	Accenture	1,275	10	1.18%
Total	23,239		9.32%		30,213		28.04%

Source: (1) North Central Texas Council of Governments & Texas Workforce Commission
(2) Greater Irving - Las Colinas Chamber of Commerce

CITY OF IRVING, TEXAS

Full-time Equivalent City Government Employees
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
By Functions					
General Government	218.50	219.00	222.00	220.00	196.00
Police & Code Enforcement	519.00	576.00	576.00	623.00	623.00
Fire	307.50	318.00	318.00	318.00	318.00
Environmental Services	117.50	91.00	91.00	106.00	106.00
Parks and Recreation	221.50	299.00	312.00	321.00	339.00
Library Services	99.50	116.00	116.00	115.00	113.00
Court Services	43.00	41.00	41.00	42.00	41.00
Community Development	96.50	124.00	119.00	80.00	38.00
Public Works	324.00	325.00	319.00	292.00	359.00
Community Services	69.50	93.00	102.00	77.00	79.00
Total Employees by Function	2,016.50	2,202.00	2,216.00	2,194.00	2,212.00
By Departments					
City Secretary's Office	12.00	12.00	12.00	12.00	12.00
City Manager's Office	11.00	11.00	11.00	9.00	5.00
Police & Code Enforcement	519.00	576.00	576.00	623.00	623.00
Fire	307.50	318.00	318.00	318.00	318.00
Public Health and Env. Services	117.50	91.00	91.00	106.00	106.00
Parks and Recreation	221.50	303.00	316.00	321.00	379.00
Finance	30.00	26.00	26.00	26.00	20.00
Inspections	52.00	44.00	38.00	36.00	28.00
Human Resources	19.50	27.00	29.00	27.00	24.00
Municipal Court Services	43.00	41.00	41.00	42.00	41.00
Library Services	99.50	116.00	116.00	115.00	113.00
Planning and Development	13.50	36.00	0.00	4.00	10.00
City Attorney	16.00	17.00	17.00	17.00	17.00
Public Works	324.00	325.00	324.00	292.00	332.00
General Services	93.50	85.00	83.00	87.00	21.00
Information Technology	36.50	41.00	44.00	42.00	39.00
Community Affairs	24.50	33.00	73.00	36.00	33.00
Housing and Human Services	10.00	11.00	11.00	11.00	13.00
Irving Convention and Visitors Bureau	31.00	40.00	40.00	40.00	46.00
Irving Arts Center	35.00	49.00	50.00	30.00	32.00
Total Employees by Department	2,016.50	2,202.00	2,216.00	2,194.00	2,212.00
By Fund					
General	1,696.50	1,827.50	1,842.50	1,844.00	1,764.00
Water and Sewer	158.50	163.00	166.00	163.00	168.00
Solid Waste Services	0.00	0.00	0.00	0.00	90.00
Lake Chapman	0.00	0.00	0.00	0.00	0.00
Garage	30.00	35.00	31.00	28.00	19.00
Grants	16.00	15.00	15.00	14.00	18.00
Hotel Occupancy Tax	67.50	93.00	93.00	74.00	81.00
Municipal Court Funds	3.50	3.50	3.50	1.00	1.00
Tax Increment Financing	0.00	0.00	0.00	1.00	0.00
Recreation Centers	17.00	34.00	34.00	34.00	35.00
Municipal Drainage Utility	27.50	31.00	31.00	35.00	36.00
Total Employees by Fund	2,016.50	2,202.00	2,216.00	2,194.00	2,212.00

Source: Current and prior years City of Irving Annual Operating Budget documents

Schedule 16

Fiscal Year				
2011	2012	2013	2014	2015
189.00	170.00	163.00	158.00	204.00
619.00	620.00	614.00	626.00	606.00
318.00	318.00	318.00	318.00	369.00
104.00	104.00	110.00	114.00	116.00
350.00	353.00	330.00	357.00	371.00
113.00	113.00	113.00	107.00	102.00
41.00	41.00	42.00	42.00	37.00
73.00	83.00	93.00	92.00	89.00
375.00	349.00	382.00	377.00	320.00
75.00	86.00	74.00	72.00	97.00
2,257.00	2,237.00	2,239.00	2,263.00	2,311.00
11.00	11.00	10.00	10.00	9.00
5.00	4.00	11.00	16.00	20.00
616.00	620.00	614.00	626.00	612.00
318.00	318.00	318.00	318.00	369.00
104.00	104.00	110.00	114.00	116.00
350.00	353.00	330.00	357.00	371.00
34.00	38.00	22.00	34.00	29.00
27.00	31.00	29.00	31.00	31.00
14.00	9.00	18.00	15.00	15.00
41.00	41.00	42.00	42.00	37.00
113.00	113.00	113.00	107.00	102.00
13.00	6.00	18.00	9.00	9.00
17.00	17.00	18.00	17.00	17.00
375.00	375.00	382.00	377.00	320.00
39.00	19.00	45.00	33.00	73.00
42.00	46.00	39.00	39.00	35.00
30.00	24.00	33.00	30.00	33.00
13.00	13.00	11.00	11.00	11.00
46.00	46.00	46.00	46.00	43.00
49.00	49.00	30.00	31.00	59.00
2,257.00	2,237.00	2,239.00	2,263.00	2,311.00
1,792.00	1,771.00	1,767.00	1,800.00	1,867.00
165.00	160.00	161.00	157.00	156.00
89.00	89.00	93.00	97.00	97.00
0.00	0.00	0.00	0.00	0.00
19.00	19.00	25.00	26.00	27.00
16.00	16.00	12.00	12.00	18.00
98.00	98.00	79.00	80.00	105.00
1.00	1.00	1.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
41.00	41.00	49.00	50.00	0.00
36.00	42.00	52.00	41.00	41.00
2,257.00	2,237.00	2,239.00	2,263.00	2,311.00

CITY OF IRVING, TEXAS

Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

			Fiscal Year		
	2006	2007	2008	2009	2010
Functions					
Police					
Reported Index Crimes	14,845	14,103	13,868	9,181	8,595
Arrests (Juvenile and Adult)	16,385	17,204	17,368	14,515	14,515
Fire					
Responses (Fire and Ambulance)	28,950	34,500	28,950	31,400	31,400
Inspections	8,898	9,343	9,500	9,300	9,916
Environmental Services					
Tonnage Collected by Sanitation Crews	56,644	51,150	52,000	50,000	50,000
Annual Tons Recycled	2,600	2,450	2,500	2,500	2,500
Health Classes, Events, Presentations	160	160	85	85	85
Animals Handled by Shelter	4,700	9,410	8,000	8,400	8,000
Parks and Recreation					
Customer Svc Rating	95.00%	97.00%	97.00%	95.00%	97.00%
Rec./Athletic/Aquatic Program Participation	240,000	240,000	269,000	275,500	360,500
Park Elements Certified	94.00%	94.00%	94.00%	95.00%	95.00%
Library Services					
Library Visitors	894,681	928,768	1,020,927	1,051,555	1,031,136
Library Program Attendance	80,828	81,064	85,024	87,575	85,146
Court Services					
Traffic Violations Filed with Court	76,550	80,378	81,000	73,788	73,788
Community Development					
Subdivision Plats Filed	94	95	95	58	37
Building Inspection Plans Reviewed	5,559	4,500	4,500	4,917	4,077
Building Permits Issued	14,055	15,100	15,500	14,931	14,294
Zoning Cases Filed	70	75	75	56	59
Public Works					
Street Repair: Tons of Asphalt/Crew Hour	3.00	3.00	3.00	3.00	3.00
In House Design and Contract Admin.	$ 7,600,000	$ 11,561,999	$ 13,975,000	$ 11,000,000	$ 11,000,000
Traffic Signals Maintained (City Maintained)	182	185	189	189	143
Gallons of Water Pumped (000s)	14,502,694	15,600,000	16,210,000	16,000,000	16,000,000
Drinking Water Samples	2,888	3,000	2,700	2,700	2,700
Wastewater Stoppages Cleared	312	275	275	250	250
Community Services					
Neighborhood Round Table Attendance	150	175	200	225	265
Partnership Fund Projects Completed	15	15	20	22	22
Arts Center Visual Art Exhibits	22	24	24	24	24
Arts Center Theater Performances	236	240	261	269	290

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Fiscal Year				
2011	2012	2013	2014	2015
7,598	6,827	6,833	6,705	6,584
12,586	12,564	11,710	10,264	8,035
32,946	20,262	21,043	23,495	24,948
11,728	13,136	12,315	14,064	16,502
64,421	62,607	68,172	55,415	47,775
12,395	12,229	12,298	10,570	3,147
185	237	229	169	397
6,500	6,146	7,829	7,706	8,062
97.00%	98.00%	98.00%	99.00%	99.00%
530,973	604,014	675,356	637,203	684,115
95.00%	95.00%	95.00%	95.00%	100.00%
1,100,000	959,181	868,821	787,615	808,299.00
71,732	55,154	67,083	68,574	68,722.00
72,262	70,902	68,473	48,088	50,462
47	41	75	67	88
4,822	6,385	5,285	5,087	5,224
16,552	15,684	14,844	12,300	13,143
48	70	54	84	87
3.00	3.10	3.10	3.10	3.00
$ 8,800,000	$ 20,900,000	$ 16,323,440	$ 13,061,144	36,545,971
203	206	206	206	206
13,555,730	11,941,810	12,879,440	12,412,954	11,467,400
2,271	1,821	2,605	2,432	2,265
937	971	952	1,055	1,202
222	275	250	271	198
21	18	22	22	20
24	23	23	27	18
267	232	186	217	519

CITY OF IRVING, TEXAS

Capital Asset Statistics by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Functions					
Police					
Police Vehicles	164	223	233	238	216
Fire					
Fire Fighting Units	23	23	24	24	26
Ambulances	11	11	12	12	12
Parks and Recreation					
Developed Park Acreage	1,445	1,445	1,451	1,451	1,451
Number of Parks	59	59	59	60	81
Public Works					
Miles of Streets	507	725	725	725	725
City Maintained Street Lighting	1,243	1,250	1,250	1,250	1,243
Water Main Miles	711	711	733	733	733
Fire Hydrants	5,559	5,559	5,559	5,558	5,558
Sewer System Miles	573	573	741	741	1,051
Meters in Service	43,757	43,757	43,757	43,757	43,311

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Schedule 18

Fiscal Year				
2011	2012	2013	2014	2015
199	253	341	264	244
26	22	22	22	15
12	12	12	12	8
1,451	1,451	1,796	1,796	1,662
81	81	81	81	81
725	850	850	850	850
1,243	1,243	1,243	1,442	1,442
688	708	699	702	710
5,558	5,548	5,654	5,715	5,654
630	658	645	650	656
43,311	44,675	45,230	45,764	44,000

IRVING
TEXAS